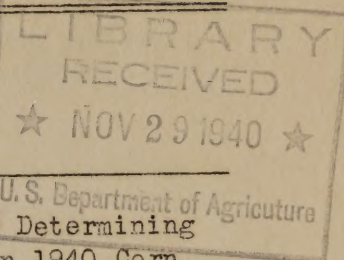


UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION  
WASHINGTON, D. C.



Instructions for State and County Committees for Determining  
Eligibility and Completing Documents for Loans on 1940 Corn.

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## Part I - General Instructions.

Loans will be made by Commodity Credit Corporation on ear and shelled corn produced in 1940 when stored on the farm and meeting the requirements hereinafter set forth.

State and county committees will be governed in the inspection and sealing of corn collateral for 1940 corn loans by Commodity Loan Regulations No. 1, as amended October 21, 1939, Regulations Governing Inspection and Sealing of Agricultural Commodities, on the Farm To Be Used as Collateral for Loans, and Completion of Loan Documents - Pursuant to the Provisions of the Agricultural Adjustment Act of 1938, as Amended, and 1940 CCC Corn Form 1 - Instructions.

### A - APPLICANTS.

Producers desiring loans on their 1940 corn should make application to the county committee of the county in which the corn is stored. The county committee should explain the program to the producer. If it appears that the producer and his corn are eligible for a loan, the county committee should prepare Section 1 of Work Sheet, 39 Corn Loan 1, and direct the corn loan inspector to call at the farm to inspect the corn and structure. A representative sample from each crib or bin and both copies of the work sheet shall be forwarded by the inspector for grade determination to the State office or county office as directed by the State committee; one copy showing the grade determination shall be returned to the county office by the State committee, or if grade determination made by county office, a completed copy forwarded to State committee. If the storage structure and corn are found to be eligible for a loan, the county committee shall prepare the loan documents and notify the applicant to call at the county office to sign the loan document and to complete the loan.

Producers transferring eligible corn to a county other than the one in which it was produced shall furnish the committee of the county where the corn is stored with a written certification as to his eligibility, the eligibility of such corn, the proper loan rate, and a list of existing liens, signed by a member of the committee of the county where the corn was produced. The loan rate of the county where the corn was produced shall prevail.

In States where the chattel mortgage must be filed in the county where the producer lives, the county committee may prepare loan documents in the county where the producer lives for corn stored in an adjoining county, provided the land upon which the corn is stored is considered part of the borrower's farming unit and is listed in the county in which the borrower lives under the Agricultural Conservation Program.

### B - ELIGIBLE PRODUCER

As defined in 1940 CCC Corn Form 1, an eligible producer in the commercial corn area shall be any person, partnership, association, or corporation producing corn as landowner, landlord, or tenant, upon whose



✓ farm the 1940 field corn acreage planted did not exceed the corn acreage allotment established for the farm, pursuant to Title III of the Agricultural Adjustment Act of 1938, as amended, and in the noncommercial corn area, an eligible producer shall be any person, partnership, association, or corporation, producing corn as landowner, landlord, or tenant, upon whose farm the total 1940 acreage of soil-depleting crops did not exceed the total acreage allotment for soil-depleting crops established for the farm pursuant to the provisions of the 1940 Agricultural Conservation Program.

A producer\* shall be deemed eligible to apply for a corn loan if the farm for which he makes application has been measured and a farm report is on file in the county office and a copy of form 403 has been signed. A farm for the purpose of determining a producer's eligibility shall be the same as defined for the agricultural conservation program.

### C - ELIGIBLE CORN

For the purpose of 1940 corn loans, eligible corn is defined as merchantable field corn produced in 1940, husked and in the ear or shelled, stored in acceptable cribs or bins on the farm and grading No. 3 or better (except for moisture content and test weight) as defined in the Official Grain Standards of U. S. on the basis of a representative sample taken from each crib or bin offered as collateral for a loan, provided:

1. Beneficial interest to such corn is and always has been in the eligible producer or such corn was purchased from another eligible producer by an eligible producer who will operate a different farm in 1941 (or 1942) from that operated in 1940 (or 1941), and the total number of bushels thus purchased or placed under loan is not in excess of the number of bushels of eligible corn produced by the applicant as an eligible producer.
2. Ear corn accepted as collateral for loans between December 1, 1940, and February 28, 1941, inclusive, shall not have a moisture content in excess of 20-1/2 percent.
3. Ear corn accepted as collateral for loans between March 1, 1941, and April 30, 1941, inclusive, shall not have a moisture content in excess of 17-1/2 percent.
4. Ear corn accepted as collateral for loans between May 1, 1941, and September 30, 1941, inclusive, shall not have a moisture content in excess of 15-1/2 percent.
5. Shelled corn accepted as collateral for loans between July 1, 1941, and September 30, 1941, inclusive, shall not have a moisture content in excess of 13-1/2 percent. (Loans on shelled corn shall not be available prior to July 1, 1941).

In counties designated by the State committees and approved by the Regional Director as Angoumois moth infested areas, eligibility is confined to ear corn pledged for a loan between December 1, 1940, and February 28, 1941, inclusive, otherwise meeting the above requirements.



#### D - LOAN RATE

The loan rate on 1940 ear or shelled corn in farm storage will be 61 cents per bushel for eligible corn produced in the commercial corn area, and 46 cents per bushel for eligible corn produced in the non-commercial corn area, except that corn otherwise eligible grading MIXED in accordance with the United States Grain Standards shall have a loan rate of 2 cents per bushel less than the applicable rate stated above.

#### E.- DATES AVAILABLE, MATURITY OF LOAN AND INTEREST RATE.

Loans on eligible ear corn produced in 1940 are available to eligible producers from December 1, 1940, to September 30, 1941, inclusive. Loans on eligible shelled corn produced in 1940 are available to eligible producers from July 1, 1941, to September 30, 1941, inclusive. Except that loans will be available on eligible ear corn in counties designated as Angoumois moth infested areas from December 1, 1940 to February 28, 1941, inclusive.

All loans will bear 3 percent interest and mature August 1, 1943. ✓ However, loans may be satisfied prior to the date of maturity under any of the following conditions:

1. Payment by borrower of the face value of the note, plus interest.
2. Upon demand by Commodity Credit Corporation.
3. Delivery of corn collateral during August, September, and October, 1942, upon 30 days prior written notice to the county committee.
4. Delivery of the corn collateral during August, September, and October, 1941, upon 30 days prior written notice to county committee, applicable only as follows: Loans were completed prior to April 1, 1941, and the producer has lost possession of the farm on which the corn is stored or has received notice from his landlord, copy of which is filed with the county committee, requesting removal of the corn from the structures in which it is stored. Landlord and tenant signing a joint note will be governed by the above procedure and in the event the landlord requests the removal of the tenant's portion of the corn, such corn may be delivered and a new note made out on the balance of the corn in the name of the landlord.

#### F - SERVICE FEE

The fee for inspecting corn and storage structures on the farm, sealing the structures, and completing and handling the loan documents, ✓ shall be 1 cent per bushel. This will be a uniform fee in all counties and States and will be based upon the net amount of bushels placed under loan.



All fees shall be collected by entering on 1940 Corn Form A, the amount of the fee payable to the treasurer of the county association. The original and one copy of 1940 Corn Form A will be forwarded to the lending agency who in turn will designate in that part of 1940 Corn Form A which shows disbursements to be made, the date of the disbursement, i.e., "disbursed December 23, 1940". When the lending agency transmits the fees to the association treasurer, it will enclose the copy of 1940 Corn Form A, showing disbursements made. The amount of the check transmitted to the association treasurer by the lending agency must equal the sum of the amounts shown as service fees on the individual notes. The county committee will then check on Corn Loan 4, Revised, the amount and enter the date the sealing fee was received. The disbursement shown on the copy of the note received from the lending agency should be entered on the copy in the county office, and such copy mailed to the borrower. This copy will be the borrower's receipt for service fees paid. One copy showing date of disbursement will be filed with the producer's loan documents. The use of CL-2 will be discontinued in connection with 1940 corn loans.

All fees collected in connection with corn loans must be deposited in the regular bank account of the association and should be deposited on the same day as received. If it is impracticable to make the deposit on the same day as received, the deposit should be made on the first banking day following receipt of the fee. In the North Central Region all such fees must be promptly recorded on Form NCR-County No. 9. (See Part IX of NCR-504).

Upon receipt from the State committee of the approved form ACP-9, on which the amount of collections are included as a claim in the name of Commodity Credit Corporation, the treasurer of the county association will transmit by check to the Commodity Credit Corporation, Washington, D.C., an amount equivalent to 100 percent of the total collection fees shown on the approved ACP-9 for each month.

#### G - ELIGIBLE STORAGE STRUCTURES AND ACCEPTABLE CRIB WIDTHS.

Eligible storage structures shall consist of cribs or bins which are of such substantial and permanent construction as to afford safe storage of corn and afford protection against rodents, other animals, thieves, and weather, as determined by the county agricultural conservation committee, and approved by State committee.

The most important dimensions to be considered in the safe storage of corn is crib WIDTH.

State and county committees are hereby instructed to reject ear corn offered as collateral for a loan which is stored in a crib having a width greater than the recommended width for the county, unless the moisture content of the corn is at least 1 percent less than 20-1/2 percent for each foot or fraction thereof in excess of the recommended width. In the case of round cribs with center ventilator the distance from the ventilator to the outside wall shall constitute the width, and for round cribs without center ventilator the width shall be considered to be two-thirds of the diameter.



Illustration: If the recommended width of the cribs for the county is 7 feet and a crib containing corn offered as collateral is 10 feet wide, the corn will be rejected if it tests more than  $17\frac{1}{2}$  per-cent moisture.

NORTH CENTRAL REGION -- The crib widths for this region as recommended by the United States Department of Agriculture are as follows:

#### ILLINOIS

6-foot area.-- Lake and McHenry Counties.

7-foot area.-- Boone, Carroll, Cook, De Kalb, Du Page, Grundy, Iroquois, Jo Daviess, Kane, Kankakee, Kendall, La Salle, Lee, Ogle, Stephenson, Whiteside, Will, and Winnebago.

8-foot area.-- All other counties.

#### INDIANA

6-foot area.-- Allen, Elkhart, De Kalb, Kosciusko, La Porte, Lagrange, Marshall, Noble, Stark, Steuben, St. Joseph, and Whitley.

7-foot area.-- Adams, Benton, Blackford, Carroll, Cass, Clinton, Delaware, Fayette, Franklin, Fulton, Grant, Hamilton, Hancock, Henry, Howard, Huntington, Jasper, Jay, Lake, Madison, Miami, Newton, Porter, Pulaski, Randolph, Rush, Tippecanoe, Tipton, Union, Wabash, Wayne, Wells, and White.

8-foot area.-- All other counties.

#### IOWA

6-foot area.-- Allamakee, Clayton, Howard, Winneshiek.

7-foot area.-- Buchanan, Black Hawk, Bremer, Butler, Cerro Gordo, Chickasaw, Clinton, Delaware, Dickinson, Dubuque, Emmett, Fayette, Floyd, Franklin, Hancock, Jackson, Jones, Kossuth, Mitchell, Osceola, Winnebago, and Worth.

8-foot area.-- All counties not listed in other three areas.

9-foot area.-- Adams, Cass, Fremont, Harrison, Mills, Montgomery, Page, Pottawattamie, Shelby, and Taylor.

#### MICHIGAN

6-foot area.-- All counties.

#### MINNESOTA

6-foot area.-- All counties not in 7-foot area.



7-foot area.-- Brown, Blue Earth, Cottonwood, Faribault, Jackson, Lac qui Parle, Lincoln, Lyon, Martin, Murray, Nobles, Pipestone, Rock, Watonwan, Redwood, and Yellow Medicine.

#### MISSOURI

8-foot area.-- All counties except those in the 9-foot area.

9-foot area.-- Andrew, Atchison, Bates, Barton, Buchanan, Cass, Clay, Clinton, DeKalb, Gentry, Holt, Jackson, Jasper, McDonald, Newton, Nodaway, Platte, Vernon, and Worth.

#### NEBRASKA

8-foot area.-- Cedar, Dakota, Dixon, Thurston, and Wayne.

9-foot area.-- All counties not listed in the other two areas.

10-foot area.-- Adams, Buffalo, Clay, Chase, Custer, Dawson, Dundy, Fillmore, Franklin, Frontier, Furnas, Gosper, Hall, Hamilton, Harland, Hayes, Hitchcock, Howard, Jefferson, Kearney, Keith, Lincoln, Merrick, Nuckolls, Phelps, Perkins, Red Willow, Saline, Thayer, and Webster.

#### OHIO

6-foot area.-- Allen, Ashland, Ashtabula, Carroll, Columbiana, Coshocton, Cuyahoga, Crawford, Defiance, Erie, Fulton, Geauga, Hancock, Harding, Harrison, Henry, Holmes, Huron, Jefferson, Knox, Lake, Lorain, Lucas, Marion, Mahoning, Medina, Morrow, Paulding, Putnam, Portage, Ottawa, Richland, Sandusky, Stark, Seneca, Summit, Trumbull, Tuscarawas, Van Wert, Wayne, Williams, Wood, and Wyandot.

7-foot area.-- All other counties.

#### SOUTH DAKOTA

7-foot area.-- All counties not listed in the 8-foot area.

8-foot area.-- Bone Homme, Charles Mix, Clay, Douglas, Gregory, Hutchinson, Lincoln, Turner, Union, and Yankton.

#### WISCONSIN

6-foot area.-- All counties.

OTHER REGIONS.-- The recommended crib width shall not be in excess of the width considered practicable for safe storage in the county as determined by the State and county committees.

#### H - VERTICALLY VENTILATED STORAGE STRUCTURES

Corn stored in vertically ventilated, tight-walled storage structures will be acceptable for loans, provided:



1. The structure is a separate unit located where there is a free circulation of air from all directions.
2. It has a secondary slatted bottom at least 8 inches above the solid bottom which permits air to circulate upward through the corn.
3. The roof is equipped with an effective rotary or syphon ventilator, and the structure has an adequate air inlet under the grate floor which can be closed in bad weather.
4. The depth of corn in such a structure is no greater than the recommended crib width for the county in which the structure is located and the moisture content of the corn does not exceed  $18\frac{1}{2}$  percent.
5. In case the depth of corn is greater than the recommended width for the county, the corn will be acceptable for loan provided the moisture content of the corn is one-half percent less than  $18\frac{1}{2}$  percent for each additional foot in depth.

PART II. -- INSTRUCTIONS FOR INSPECTORS, COUNTY AND STATE COMMITTEES  
COMPLETION OF WORK SHEETS.

A - GENERAL

Inspectors for 1940 Corn Loan Program shall be appointed by the county committee, subject to the approval of the State committee. Qualifications in general shall require that the inspector be an actual farmer, cooperating in the agricultural conservation program and having a thorough knowledge of corn and its storage.

It is the duty of the inspector to make inspection of corn and storage structures as instructed by the State and county committees. A work sheet must be completed in detail and submitted to the county or State committee with a representative sample of corn from each crib. The county committee will furnish the inspectors with 39-Corn Loan 1, "Ear Corn Work Sheet," and for shelled corn 39-Corn Loan 1-S, for each crib or bin to be inspected and sampled.

B - WORK SHEET

Section I of the Work Sheet shall be completed in detail by the county committee at the time the producer makes application for a loan. The inspector shall complete section I by adding the seal number and rechecking each item to make sure it has been properly answered. This is important, as it is contemplated that the loan documents will be completed from the information contained in this work sheet. The space provided for "Preliminary Inspection Fee Paid," shall be left blank.



Section II shall be completed by the county or State committee by entering the grade determined for the sample of corn submitted. When work sheet is submitted to State committee, the State committee shall sign and return one copy of the work sheet to the county committee, indicating whether such corn is eligible for a loan.

Section III shall be completed in detail by the inspector and rechecked by the State or county committees. Item 1 refers to the corn and a check mark should be used to indicate the desired information. Items 2, 3, and 5 pertain to the measurements of the corn which must be actual and not estimated. A steel tape should be used which indicates measurements in feet and tenths, rather than feet and inches. This will simplify computations and be more accurate. The corn should be leveled off to insure exact measurements. Do not measure short to take care of settling, husks, and other deductions, but allow for these on a percentage basis in Item 8. Correct measurements are necessary to aid in reinspection work or determination of insurable losses. Length and width of a crib should not vary on reinspection, the height of corn may be less due to settling. The multiplications required in Items 4 and 6 shall be calculated by the inspector and rechecked by the State and county committees. The following should be thoroughly understood:

The volume of corn in a rectangular crib is computed by multiplying the width by the length by the height, which gives the cubic foot.

The volume of corn in a round crib or bin is computed by multiplying 0.7854 (one-fourth of pi 3.1416) times the square of the inside diameter and multiplying the product by the average depth of the corn (Formula  $0.7854 \times D^2 \times H = \text{cubic feet}$ ). If the bin or crib has a round ventilator, the square of the outside diameter of the ventilator should be deducted from the square of the inside diameter of the crib or bin before multiplying. (Formula  $0.7854 \times (D^2 - d^2) \times H = \text{cubic feet}$ ), or the volume of the crib and ventilator may be computed separately using the first formula, then subtracting the volume of the ventilator from the volume of the crib.

Items 7 and 8 shall be used to compute the displacements of the actual corn. Allowances should also be made in these items for settling and test weight. Care should be taken to make the proper deductions in order that the corn will weigh out when shelled.

Item 9 shall be used to compute the net cubic feet.

Item 10 shall be used to convert the net cubic feet to bushels of ear corn by dividing the number of cubic feet by  $2\frac{1}{2}$ , or multiplying by 0.4 either of which will give the result in bushels. If shelled corn, multiply volume by 0.8 to give number of bushels.

Section IV shall be completed by the county or State committee, and rechecked by the county committee before making up the loan documents.

Item 11 shall be the number of bushels carried in Item 10 of section III and shall be entered only after the entire section III has been rechecked.



Items 12 and 13 shall be completed in accordance with the following table and instructions:

Loans will not be made on corn with a moisture content greater than 20-1/2 percent. For loans completed after March 1, 1941, see Part I, Item C, "Eligible Corn", for maximum moisture content.

In the case of corn offered for collateral with a moisture content between 15-1/2 and 20-1/2 percent, the loans will be made at the full rate per bushel but deductions will be made in the total volume of the corn to offset the shrinkage which will take place as the corn dries out. Deductions for moisture content will be made in accordance with the following schedule:

Moisture content:	Deduction
15.6 to 16.5 percent . . . . .	2 percent
16.6 to 17.5 percent . . . . .	4 percent
17.6 to 18.5 percent . . . . .	6 percent
18.6 to 19.5 percent . . . . .	8 percent
19.6 to 20.5 percent . . . . .	10 percent
above 20.5 percent . . . . .	No loan

For corn containing less than 15.6 percent moisture, items 12 and 13 will be left blank.

Item 14 -- Enter the net quantity of corn eligible for a loan.

Item 15 -- Enter the net number of dollars to be certified for a loan, which shall be computed by multiplying the net number of bushels in item 14 by the loan rate for the county in which the corn was produced. In case of mixed corn the rate that applies to such corn shall be used.

Item 16 -- This shall be initialed by the clerk making the above computations.

Remarks -- This space shall be used by the county or State committee with reference to any question or information regarding the grade of corn in section II or completion of work sheet by county committee or inspectors in section I, III, or V. Any items contained therein shall be checked by the county committee before certification of the loan.

Section V of the work sheet shall be completed by the inspector in detail. A check may be used to indicate the general information desired. The appropriate item must be checked to give the State and county committees a general picture of the condition of the storage structure. Inspectors are instructed to enter the applicable information while on the farm and supplement under "Remarks" any unusual condition or information not clearly covered. The county committees should return the work sheet to the inspector if full information is not furnished.

The inspector shall be guided by the following general instructions, with respect to making inspection of the storage structures and completing section V of the work sheet.



Item 17 -- Location of crib: Separate structures especially constructed for corn storage are most desirable. Such structures usually offer more protection from rodents, and ordinarily the fire hazard is not so great. A crib built within or attached to a building housing livestock will not be acceptable, unless such crib is separated from the livestock quarters by a solid wall and the crib itself has proper ventilation on both sides.

Cribs built as a part of machine sheds and other buildings which do not house livestock may be acceptable, provided both sides of crib are well ventilated. Extra precaution should be taken by the producer to protect the corn in such cribs from rodents.

If the crib is not a part of the farmstead group and is in an isolated location, extra precaution should be taken by the producer to prevent theft of the corn collateral. Cribs located on river or creek bottom land subject to overflow are not suitable storage structures and should not be sealed for loan purposes unless crib floors are above high-water level. Indicate what kind of structure, if any, the crib is located in, the number of feet the structure is from the nearest building, whether the storage structure is a part of the farmstead group, whether the land on which the structure is located is subject to overflow, and indicate exposure to winds.

Item 18 -- Structure: Cribs may be built of various materials, but must meet the following general requirements to be acceptable: (1) Hold the corn without loss of quantity; (2) protect the corn from rain, snow, and surface water; (3) provide reasonable protection from damage by mice, rats, and other animals; (4) provide reasonable protection against loss by fire or wind; (5) permit free ventilation through the side walls. Cribs which do not meet these requirements can often be made acceptable by repairing or rebuilding at a reasonable cost.

Item 19 -- Foundation: A good foundation is very essential to the life and usefulness of a crib. One of the most satisfactory types of foundation is a concrete wall extending below the frost line in the ground and above the ground level at least 18 inches. Concrete piers, stone walls, and stone piers may serve satisfactorily for small cribs but may settle unevenly when overloaded, thereby causing the building to break open and deteriorate rapidly. Wood sills and piers are frequently used for small cribs but are subject to rapid decay, and cribs with this type of foundation should not be sealed for a loan if the sills and piers are in a condition which would make the storage of corn hazardous. A continuous foundation wall supporting a wooden floor should have screened openings for ventilation.

Item 20 -- Floor: Solid concrete floors should extend at least 12 inches above the ground level. Low concrete floors are not desirable, in that they may become very wet and cause the corn in the bottom of the crib to spoil. A concrete floor with shelling trench is more desirable than a solid concrete floor, since such floors must necessarily be 18 to 24 inches above the ground level and the plank-covered trench allows free circulation of air under and into the bottom of the crib.



Wood floors built on a proper foundation are ordinarily not constructed so tightly as to prevent ventilation in the bottom part of the crib, and this enables the corn in the lower part of the crib to dry out, whereas if it were not for this ventilation the corn might spoil. Such floors should be from 12 to 24 inches above the ground level. This affords protection against moisture and allows better ventilation under the crib. Any crib which is high enough above the ground so that cats and dogs can run underneath the floor will be relatively free from rodents.

Steel cribs are frequently constructed with metal floors. Such floors should be at least 8 inches above the ground. A good precaution before filling such crib with corn is to lay a board floor on the metal in order to prevent the corn in the bottom of the crib from spoiling.

Item 21 -- Walls: Crib walls must be strong enough and properly braced to withstand the outward and downward pressure of the corn. Studs should be securely attached to the floor and of such dimension and spacing as is necessary to withstand the pressure of stored corn. Horizontal beveled boards with 1-inch spacing are preferred for siding. Tight siding should extend down from the plate line one-fifth to one-third the height of the wall. When wire or slat cribbing is used crib boards or metal sheets extending upward 2 feet from the floor should be used to protect the corn from poultry and small livestock.

Item 22 -- Bracing: Proper bracing is one of the most important features of good crib construction. A great amount of material in braces is not necessary, but the proper choice and placing of this material and good fastenings are highly important. Cross ties of wire or steel rods are usually undesirable. Desirable types of crib bracings are described and illustrated in the bulletin, entitled "Corn Storage in the Ever Normal Granary."

Item 23 -- Roof: The inspector should see that the roof is tight, substantial, and well nailed. Roll roofing is subject to wind destruction and ordinarily not satisfactory as a covering for a permanent roof.

Item 24 -- Ventilation: Crib walls should be slatted or have ventilative openings on both sides upward from the floor line to permit cross ventilation. Small cribs should be slatted the full height except for 18 to 24 inches under the eaves. High cribs should be tight-sided downward one-fifth to one-third the distance from the upper plate line. Ventilators or flues may be necessary to accelerate drying of the corn.

Item 25 -- Sealing of crib: Cribs must be completely and securely enclosed so as to require a forceful breaking to make entry. The producer should be advised by the county committee at the time he makes application for a loan that he should be prepared to securely enclose the crib before the inspector places the seal on the crib and leaves the premises.

Item 26 -- Handling of corn: Proper consideration should be given to how the corn has been handled; this has a material affect on how the corn will keep and shell out. The inspector should ascertain the dates on which the corn was placed in the crib in order to more accurately estimate the proper deductions.



Section VI. The inspector shall give his recommendation, date, and sign the work sheet. State and county committees are instructed to return the work sheet to the inspector if above procedure is not followed. If the crib or bin is obviously not an acceptable storage structure, the inspector should so inform the producer, complete the work sheet, state reason for rejection under "Remarks", and return the work sheet to the county office. Do not send a sample or work sheet to the State office in case the inspector does not recommend that crib be accepted for a loan.

#### C - SEAL

The inspector shall place a seal (CL-1) on each crib inspected and sampled before leaving the premises if the corn and structure appear eligible for a loan. Each seal shall be numbered by the county office before distribution to the inspectors. The numbers shall be consecutive starting with 1 in each county and be prefixed by the numerals 40, for example, 40-1, 40-2. The inspector shall insert the seal number in the upper right-hand corner of the work sheet and shall also enter the seal number of other cribs sealed, which the producer desires placed under one note and mortgage.

To aid in reinspection work, the inspector should note on the seal "Inspected (date)" and initial. Subsequent inspections should likewise be shown on the seal by dates and initials of the inspectors.

#### D - TAKING OF REPRESENTATIVE SAMPLE

The taking of a representative sample is the most important part of the inspector's work. The county committee will supply the inspector with an approved ear-corn probe (or grain probe for shelled corn) for taking samples. The inspector should take corn samples from a number of different locations in the crib or bin. Several samples should be obtained from near the bottom of the crib where the early picked corn may be located. He should probe those spots where there may be damage due to accumulation of shelled corn or trash, as under the conveyor spout if the crib or bin were filled by an elevator.

The corn samples from each probe should be examined carefully. If the inspector finds that the corn is infested with insects, heating or otherwise obviously below the grade requirements, he shall withhold recommendation of the collateral for a loan, and immediately inform the producer.

If the corn appears to be eligible for a loan, the inspector should at once thoroughly blend the samples taken from the crib and a representative portion of this mixture immediately shall be placed in a moisture-proof container, supplied by the county committee. The work sheets should be inserted between the inner cellophane envelope containing the moisture sample and the Kraft envelope so that the forms will not absorb moisture from or impart moisture to the sample. Samples of corn must be mailed the same day they are obtained. Each inspector should provide a suitable measuring cup holding at least 1-1/8 pints of corn.



All samples should be checked as to the volume in order to provide a sufficient sample to make proper grade determination in the State or county office. Care should be taken by the inspector to insert the right work sheet with each sample of corn submitted.

E. TRANSFER FROM EAR TO SHELLED CORN  
COLLATERAL.

After July 1, 1941, producers desiring to shell and store the corn that has been previously under loan as ear corn should notify the county committee who will in turn prepare 39-Corn Loan 1-S, as previously instructed, and notify the inspector to call at the farm to determine as to whether or not the amount of corn originally sealed is present and by sampling to determine the condition of the corn. A copy of the work sheet used in making the original loan should be furnished the inspector.

If the inspector finds the condition of the corn will make it eligible to seal as shelled corn, and determines that the quantity of corn is not less than that called for in the original chattel mortgage, he shall, provided the bin in which the corn is to be placed is eligible, authorize the producer to shell the corn and place it in the bin. After the corn is shelled and in the bin, the inspector should again visit the farm to inspect the storage structure, measure the corn, and chalk-mark the level of the corn in the bin. If, in the opinion of the inspector, the corn will meet the grade and moisture requirements, the right quantity is in the bins, and the storage structure is acceptable, he will seal the structure using the same seal number as that used in sealing the ear corn, complete the work sheet, and submit it to the county committee. A sample should be taken and submitted to the county committee by the inspector, if in his opinion the quantity is short or the quality is questionable.

Under "Remarks" on the work sheet, the inspector should write the following: "To the best of my judgment the amount of corn in the bin is the same as that previously put under loan showing the identical seal number," or if less bushels are contained in the bin or quality is questionable, he should explain in detail.

If, after checking measurements, the county committee determines there is a shortage, it should first be determined whether or not the shortage was due to an insurable cause. Corn Loan W should then be completed showing the settlement for the shortage, and submitted to the Special Representative of the Commodity Credit Corporation.

If the shortage is not accounted for and settled within a reasonable length of time, or the quality is not acceptable, the county committee shall recommend the loan to be called and proceed as instructed under "Called Loan Procedure."

When ear corn is transferred to shelled corn, the county committee shall correct its copy of the control card and send a report to the Commodity Credit Corporation giving producer's name, serial number, seal number, and number of bushels in order that the Corporation may correct its records.



The above procedure will also apply to all resealed ear corn under the 1940 Corn Loan Renewal Program and may be applied prior to July 1, 1941.

PART III. INSTRUCTIONS TO STATE AND COUNTY COMMITTEES  
FOR COMPLETING LOAN DOCUMENTS.

A list of the forms to be used for the 1940 corn loans is as follows:

1940 CCC Corn Form A - Corn Producer's Note.

1940 CCC Corn Form AA - Corn Chattel Mortgage.

1940 CCC Corn Form AB- Corn Loan Waiver.

1940 CCC Corn Form C - Lending Agency's Letter of Transmittal.

1940 CCC Corn Form D - Contract to Purchase. (Lending agency)

1940 CCC Corn Form E - Schedule of Repayments. (Lending agency)

1940 CCC Corn Control Card.

39- Corn Loan 1 - Ear Corn Work Sheet.

39-Corn Loan 1-S - Shelled Corn Work Sheet.

Corn Loan 4 (Revised November 1939) - Report of Loans Certified.

39-Corn Loan 6 - Transmittal of Fees to Commodity Credit Corporation.

CL-1 - Seal.

The county committees shall prepare all loan documents in the county office and transmit the following to an approved lending agency or direct to the Commodity Credit Corporation, Chicago, Illinois.

1940 - CCC Corn Form A--Note (original).

1940 - CCC Corn Control Card (to be attached to note for all direct loans,-submitted to CCC for all indirect loans).

Each set of loan documents should be checked carefully by the county committee before approval. No document containing additions, alterations, or erasures will be accepted.

CORN PRODUCER'S NOTE, CHATTEL MORTGAGE, AND CONTROL CARD.

The Work Sheet, 39-Corn Loan 1 and 1-S, has been designed so that if it is completely and properly filled out all the information necessary for preparation of the note and chattel mortgage will be contained thereon. All entries and computations on the work sheet should be checked for accuracy in the county office, after which the producer's note and chattel



mortgage should be completed (typed) with the exception of dates, ready for signature.

If the county committee has knowledge that the applicant is indebted to Commodity Credit Corporation for \$1.00 or more, in connection with any loan previously made, the amount of such indebtedness should either be collected from the applicant or entered in the space provided for disbursements on the note. The amount should be listed as payable to Commodity Credit Corporation in care of the county committee. On receipt of the check from the lending agency the county committee shall forward it to the proper Commodity Credit Corporation office with explanation as to the loan to which it applies. In the event the loan was made directly with Commodity Credit Corporation, proper identification should be on the note to enable the Corporation to apply the collection to the correct loan.

A. Corn Producer's Note. 1940 CCC Corn Form A, Corn Producer's Note, includes the letter of transmittal and certificate of the county committee and is printed in triplicate separately from the chattel mortgage. The original will be signed by the producer and certified by the county committee, and forwarded together with the first copy to the lending agency. The second copy shall be retained in the county association files.

Upon receipt of the first copy from the lending agency, showing date of disbursement of fees to the county association treasurer, the county association treasurer will then write or stamp the date the sealing fees were disbursed on the county office copy. A member of the county committee will then certify both copies, forward one to the borrower, and retain one in the county office to be filed with the borrower's loan documents.

The name of the State and county and the serial number of the loan must be typed in the spaces provided in the upper right-hand corner. The serial number of the note must include the State and county code numbers and correspond to the serial number on the chattel mortgage.

The amount of the loan in dollars must conform to the total amount entered in column (f) of section 1 of the chattel mortgage. If the loan is made directly with the Commodity Credit Corporation, "Commodity Credit Corporation" shall be typed in as payee. If a loan is made by an approved lending agency the name of the lending agency shall be designated as payee. The number of bushels entered should correspond to the total number of bushels in column (e), section 1 of the chattel mortgage.

Disbursements of funds should then be entered in the space provided above the signature of the maker in the following manner:

First line --- Name and address of the producer and amount payable to producer.

Second line -- Name and address of county association treasurer and amount of service fees payable to county association treasurer. (This amount should be checked to make sure one cent per bushel for net amount of bushels put under this loan has been charged.)

Other disbursements should follow on the third and fourth lines.



The signature of the producer must conform to his name as typed on the note and chattel mortgage. The note must also bear the signature of a witness and his address and be dated when signed by the producer. The date on the note should be identical with the date on the chattel mortgage except that a new mortgage may be dated subsequent to the note.

The certificate at the bottom of the note must be signed by a member of the county committee after the note and the chattel mortgage have been executed and reviewed for accuracy, and the chattel mortgage has been filed for record. The date of the certification must be the same or a date subsequent to the date on the note and mortgage. In no event shall the county committee certify a loan until the following loan documents are complete and properly signed:

1. Corn Producer's Note (1940 CCC Corn Form A)
2. Chattel Mortgage (1940 CCC Corn Form AA)
3. Certificate of Insurance

B. Chattel Mortgage. The Chattel Mortgage, Corn Form AA, is printed in triplicate and must be prepared in the county office. The original and duplicate copy of the chattel mortgage properly signed and acknowledged, shall be submitted to the proper county recording official in order that the receipt of county recording official may be executed on the copy to be retained by the county committee. The original or duplicate copy (as required by State law) will be placed on file with the county recording official. The copy showing the receipt of the county recording official will be placed on file in the county office with the producer's work sheet, certificate of insurance, and copy of the note.

Caption of chattel mortgage forms. The county committee shall type in the upper right-hand corner the State, county, and serial number. The entry shall be the name of the State and county in which the loan documents are prepared. The serial number must correspond to that appearing on the accompanying note. Type the producer's name and address, and the county and State indicated on this line must be the county and State in which the producer lives and may not always correspond to the name of the county appearing above. Enter the amount of loan, date of the note, and the name of the payee as it appears on the note.

Section 1 of chattel mortgage. Enter the legal description of the property on which the corn is stored. Only corn stored on one quarter section should be included in the same chattel mortgage.

Information for columns a, b, c, d, e, and f, is to be taken from the work sheet. List each seal number and applicable information on a separate line. The total of column (f) must be the same as the amount of dollars appearing on the note.

Section 2 of chattel mortgage sets forth the warranties made by the producer, which should be understood by the producer and those working with the loan program. In item (b) enter the county and State where the



corn was produced. In item (d) enter whether producer controls the storage structure as owner, landlord or tenant, and if tenant, enter the expiration date of lease. In item (e), where required by law, enter whether producer is married or single. Following item (g) enter the date on which the producer signs, which should not be prior to the date on the note. The signature of the producer must be in ink or indelible pencil and correspond to that appearing on the note. In States, where permitted by law, two witnesses may sign in lieu of acknowledgment in section 3. Witnesses will not be required when acknowledgment in section 3 is completed, (unless required by State law).

Section 3 of chattel mortgage is to be completed by a notary public when required by State law.

Section 4 of chattel mortgage provides for the listing of the names of lienholders, if any, including landlords and their waivers. The names and signatures in this section must be the same as on the recorded liens. If there are no lienholders insert the word "none." Separate waiver may be secured on 1940 CCC Corn Form AB, but all lienholders must be listed in section 11.

Prior to the preparation of the note and mortgage, the county committee shall have the list of lienholders supplied by the producer checked with the county records to be certain that all existing liens of record in force with respect to the corn are shown. It may be practical for the county committee to arrange with the county recording official for a lien abstract.

Section 5 of chattel mortgage, "Consent for Storage." When the borrower is a tenant the expiration date of the lease must be given in section 2 (d) of the chattel mortgage. If the expiration date of the lease is prior to October 15, 1943, the landlord shall execute the consent of storage. This section must also be signed by any other party or parties entitled to possession of the farm or storage structure prior to October 15, 1943.

Section 6, 7, 8, 9, 10, and 11 of chattel mortgage set forth agreements and conditions entered into by and between the producer and the Commodity Credit Corporation, and should be understood by the producer and those working with the loan program. If the producer elects to turn the corn over to the Commodity Credit Corporation in satisfaction of his loan, he must without cost to the Corporation, shell and deliver the mortgaged corn to a shipping point designated by the holder of the note, which shipping point is reasonably convenient to the producer.

Section 12 of chattel mortgage need only be completed in States where required by law.

Section 13 of chattel mortgage should be completed in all States and signed by a notary public.

Section 14 of chattel mortgage, "Certification of True Copy," must be executed on the duplicate copy.



Section 15 of chattel mortgage, "Receipt of County Recording Official," must be completed on the copy retained in the county office files.

C. Filing of Chattel Mortgage. It shall be the duty of the county committee to see that the original or duplicate copy of the chattel mortgage (as required by law) is placed on file with the proper county recording official. The original and duplicate copy of the chattel mortgage shall be submitted to the recording official with the request that he complete section 15 on the copy to be retained by the county committee.

D. Releasing of Chattel Mortgage on File. The county committee shall release the chattel mortgage of record for the Commodity Credit Corporation by filing an instrument of release or by a margin release in the county records, when the producer presents his note stamped or marked "Paid in Full", or when notified by the Commodity Credit Corporation that such note or loan has been fully satisfied.

In the event it is necessary to prepare a new chattel mortgage, the original mortgage should be released of record at the time the new mortgage is filed, provided that there are no intervening liens of record.

Counties in which the recording officials request written authority from the Commodity Credit Corporation to make releases should notify the Regional Director through their respective State offices.

Cost of filing, checking title, releasing chattel mortgage, and notarial fees in connection with corn loans shall be paid as an association expense.

E. Record of Loan Certification. A summary record of all corn loan certifications made by the county committee will be maintained on Corn Loan 4, Revised, November 1939, "County Committee Report of Corn Loans Certified."

Purpose. The purpose of this form is to maintain in the county, States, Chicago, and Washington offices a complete record of all corn loans certified by the county committee. Upon receipt of this form in the State office, it will be audited by the county association section to determine that the amount to be transmitted to the Commodity Credit Corporation, as shown on the related form ACP-9, is correct.

Preparation of form. One copy of Corn Loan 4 should be kept current from day to day as loans are approved, entering all items, including the amount of the service fees. This copy may be used as the county office file copy. Enter the date the fees are received, in the margin, opposite the amount of the service fee.

At the end of the month, three additional copies should be typed for corn loans certified during the month, omitting the amount in column (k) in case the service fee has not been collected. The entry in line "Total for this month," for column (k) will be the total of entries collected for the loans certified during the current month. The original



and two copies shall be forwarded to the State office with form ACP-8 and related forms for the month (North Central Region - See Part XII, NCR-504). The State committee shall retain the triplicate copy and forward the original to the office of the Regional Director, and the duplicate copy to the Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois.

Entries. Enter in the heading of Corn Loan 4, Revised, the State and county code number, the month and year which the report covers, and the State and county.

Column (a). Enter the serial number for each loan without the State and county code numbers.

Column (b). Enter the seal number for each crib on a separate line.

Column (c). Enter the date of loan which will be the date appearing on the note.

Column (d). Enter producer's name and address which will be the same as that appearing on the note.

Column (e). Enter D when loans are made direct with Commodity Credit Corporation. Enter I when loans are made through a local lending agency, indicating "Indirect" loans.

Column (f). Indicate the color of the corn, white, yellow, or mixed (W, Y, or M) offered as collateral for each seal number as shown on the chattel mortgage.

Column (g). Enter the number of bushels of corn offered as collateral for each seal number.

Column (h). Enter the loan rate at which the amount of the loan has been computed.

Column (i). Enter the total number of dollars computed for a loan with respect to each serial number.

Column (j). Enter the local market price of similar grade and class of corn as of the date of the loan.



Column (k). Enter on the copies of Corn Loan 4, Revised, submitted to the State office the amount of service fees actually collected. Make no entry in column (k) if the service fee has not been collected. The total of the entries in this column will represent service fees actually collected for the month and deposited in the association account by the treasurer.

Service fees not collected for loans certified during the month for which a report is made, but are collected during subsequent months, shall be recorded by the county committee on their copy of the previous report, by entering the date of such collections in the margin. The total amount of these subsequent collections shall be entered in the space provided at the bottom of the page of the current report, on line "Fees collected this month for loans previously reported." The total of column (k) as it appears in the last line will represent the total amount of collections made with respect to 1940 corn loans.

At the bottom of this report, complete the first line total for the month for all columns. Enter in the second line the service fees collected during the current month for loans previously reported. In the third line carry forward the totals reported for previous month or months. The last line shall be the cumulative total for the loaning period. This report shall be signed by the chairman of the county committee or secretary of the county association. The State committees are requested to return this form to the counties for correction if not properly completed.

Prior to the preparation of Corn Loan 4, Revised, for the current month, if any errors are discovered in previous reports, a Corn Loan 4, Revised (Correction Report) should be prepared. In the body of the Correction Report insert the caption "Canceled" and list data for loans listed in a previous report, which were not completed for any reason. Below this listing type a double line and enter caption "Correction." List all loan data correctly as they should have appeared in previous reports, and underline with red the item or items that were incorrectly listed. Correct the county copies of the previous reports and arrive at new corrected totals which will be entered on the respective lines of the Correction Report to show totals that should have appeared on the last report. "Total through date of this report," appearing on Correction Report, should be used in arriving at cumulative total for the current month.

Shelled corn loans that may be made after July 1, 1940, should be listed on a separate set of Corn Loan 4's, Revised, clearly marking the forms "Shelled Corn." Include the totals in the ear corn report so as to have only one cumulative summary.

F. State Office Summary of Loans Certified. The State office will maintain a file of forms Corn Loan 4, Revised, submitted to them by the county committees, and shall prepare a summary of the loan certifications, submitting a copy to the Regional Director and a copy to the Chicago Office of the Commodity Credit Corporation, not later than the fifteenth of the following month. A sample summary report is as follows:



1940 Corn Loan Summary for \_\_\_\_\_  
(State)

Month of \_\_\_\_\_

County	: No. of : Loans : Certified	: Total Bu. : of Shelled : Corn	: Total Bu.: : of Ear : Corn	: Amount : of Loan	: Service : Fees : Paid
	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:

G. Control Cards. At the time of preparation of the loan documents in the county office two copies of a control card (1940 CCC Control Card) should be prepared for each loan, giving all information available at this time.

Give all data for a single loan on the card so that the one card will serve as a record for the entire loan. If only one seal number is included in the loan, the seal number, bushels, etc., may be entered in the second line. If more than one seal number is covered by the loan, only the totals should be shown under "net bushels" and the amount and information in regard to the various seal numbers should be entered in the space provided above "Remarks." Care should be taken to enter the data exactly as they appear in the loan documents. The original copy of the control card shall be forwarded to the Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois, with the note, in case of direct loans. All control cards for loans made with other lending agencies will be mailed to the Chicago office by the end of each week. The duplicate copy will be retained in the county office. Information in regard to the loan should be entered under "Remarks" or on the reverse side of the control card.

H. Insurance. There are two types of insurance coverage in connection with the corn loan program. These coverages are referred to as primary and secondary insurance. The producer must obtain the primary insurance coverage on the corn and submit evidence of the same in the form of a complete certificate of insurance, substantially in form, as shown in 1940 CCC Corn Form 1. The secondary insurance is the blanket policy secured by the Commodity Credit Corporation to protect the borrower, the local lending agency, and the Corporation against errors or omissions in the primary insurance, such as failure of primary insurance company to pay loss or a loss on account of theft, conversion, and certain other risks not covered by the primary insurance carried by producers. The cost of secondary insurance will be paid by the Commodity Credit Corporation from that portion of the service fees which is transmitted to the Corporation by the county committee.

Each insurance representative desiring to sell primary insurance must furnish the county committee with his name and address, the name of the company he represents, the premium rate per hundred dollars, and



policy fee, if any. This information shall be listed by the county committee and be made available to each borrower. At the time the producer makes application for a loan, he shall designate the insurance representative from whom he desires to purchase his certificate, and such information shall be entered on the work sheet below the space "List of Lienholders." The county committee will notify the insurance agent selected by the producer, to prepare the insurance certificate for an amount not less than the face value of the note, plus interest to November 1, 1942. This insurance certificate must be attached to the copy of the chattel mortgage which is on file in the county office.

I. Transmittal of Corn Loan Service Fees to Commodity Credit Corporation.

The treasurer of the county association shall transmit, by check, each month, all of the service fee collections, to the Commodity Credit Corporation, Washington, D. C., upon receipt of the approved Form ACP-9.

Corn Loan 6, Transmittal Letter, shall be prepared in quadruplicate. The original and one copy attached to the association check and transmitted to the Corporation with self-addressed official penalty envelope. Two copies of Corn Loan 6 shall be forwarded to the State committee, who will retain one copy and forward the other copy to the regional director.

The Commodity Credit Corporation, upon receipt of the association check with two copies of Corn Loan 6, will receipt one copy and return it to the association treasurer, who will attach it to Form ACP-11, in lieu of Form ACP-12.

From the above-mentioned fund, the Commodity Credit Corporation will pay for the secondary insurance and the balance of the fund will be apportioned by the Agricultural Adjustment Administration to apply on the expense of making and supervising commodity loans.









JAN 30 1941  
40-Corn Loan 2  
4-6

UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION  
WASHINGTON, D. C.

Instructions for State and County Committees for Determining  
Eligibility and Completing Documents for Loans on 1940 Corn.

C O N T E N T S

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PART IV. INSTRUCTIONS TO STATE AND COUNTY COMMITTEES RELATIVE  
TO THE SUPERVISION OF 1938, 1939, and 1940 CORN UNDER  
LOAN AND C.C.C. POOLED CORN STORED IN STEEL BINS AND  
COUNTRY WAREHOUSES.

A. Farm Storage. The authority and responsibility for inspection, supervision and general administration of commodity loans for State and county committees is outlined in Article 1, Sections 102 and 103 of Commodity loan Regulations No. 1, as amended October 21, 1939.

In order to protect the interests of producers, the Commodity Credit Corporation, and the Agricultural Adjustment Administration, it is necessary that representatives of the Agricultural Adjustment Administration, including members of State and county agricultural conservation committees, maintain a careful supervision over all farm-stored loans, including their reinspection and liquidation when necessary. Pursuant to authority granted the Agricultural Adjustment Administration in section 101 of Commodity Loan Regulations No. 1, as amended, State committees are requested to instruct county committees to conduct general reinspections of 1938 and 1939 corn loans which have been renewed, and 1940 corn loans, as deemed advisable in accordance with existing conditions within the respective States.

B. Corn Stored in Steel Bins. Under the Corn Storage Agreement, 1938-39 CCC Corn Form T-2, the county association agrees to keep said granaries in good condition, and to make periodic inspections of the corn, and to use all reasonable means to maintain the corn in good condition. If the corn is determined to be out of condition or threatened with damage, the Corporation agrees to issue instructions for its removal or sale, upon the recommendation of the county committee and approval of the State committee.

A complete inspection of all corn stored in steel bins shall be made on approximately April 15, May 15, and June 15, and such other times as deemed advisable by the State committee, at which time temperatures shall be taken and a sample secured. A moisture test shall be made in all cases, either by a county or State laboratory. If a sample tested by a county laboratory contains 13 percent or more moisture or is otherwise questionable, it shall be forwarded to the State laboratory for grade determination. The top of the corn should be stirred at each visit to the steel bin. When the State committee determines that the sample of corn comes within the following classifications, it shall forward one copy of Corn Loan 11, Revised, to the Commodity Credit Corporation, Chicago, Illinois, with its recommendations:

- (a) Bins containing corn grading No. 4 or lower, including corn which is musty, sour, or is heating.
- (b) Bins containing corn with 13 percent or more moisture.
- (c) Bins containing corn showing live weevil or moth infestation that cannot be controlled by fumigation.

State and county committees may make whatever recommendations they deem advisable in such cases, but should bear in mind that this corn is the property of the Commodity Credit Corporation and the Corporation does not have the protection of producer responsibility as in the case of loan corn in farm storage.

C. Corn Stored in Country Warehouse. The State and county committees shall maintain general supervision of all CCC corn stored in country warehouses. Detailed instructions to be issued at a later date.

D. Corn Loan 11, Revised. Corn Loan 11, Revised, shall be used to report the reinspection of all the corn stored on farms, in steel bins, and country warehouses. All questionable samples of corn shall be submitted to the State committee, accompanied by four copies of Corn Loan 11, Revised, with the recommendations of the county committee.

Instructions for the preparation of Corn Loan 11, Revised, are on the reverse side of the form. In order that those working with the loan program may have a clear understanding of the condition of the corn collateral it is very important that a full and complete explanation be given of the structure and corn under "Remarks." Sufficient information should appear on the form to enable the State committee and Commodity Credit Corporation to pass judgment on the advisability of continuing the loan.

E. Reports. In order that summarized reports will be made and submitted on a uniform basis and include the report of the condition of steel-bin corn, attached hereto are sample copies of forms, Corn Loan 25, County Report of Corn Condition, and Corn Loan 26, State Report of Corn Condition. These forms shall be prepared and submitted as follows:

Corn Loan 25, County Report of Corn Condition.

This form shall be used by the county committees to summarize the reinspection reports relative to the condition of the farm-stored corn loan collateral and Commodity Credit Corporation corn stored in steel bins. The first report shall include all reinspections of loan and steel-bin corn and the condition of such corn as of April 1, 1941. Each succeeding monthly report shall reflect the true condition of all the corn as of the last day of the month covered by the report.

It is not the intention of this report to require grade determinations on farm-stored and steel-bin-stored corn other than those requested by the State committee, but it is to indicate the actual condition of all the corn under loan, as determined by the inspectors, and county and State committees.

Entries shall be made on Corn Loan 25 in the various columns as follows:

Section 1.

Column 1 - Enter the number of loans outstanding in the county on 1938, 1939, and 1940 shelled and ear corn in farm storage, on the



respective lines. For the purpose of this report 1938 corn commingled with 1939 corn shall be classified as 1938 corn.

Column 2 - Enter the number of loans reinspected during the month represented by the report opposite each year's crop, except that the April 1st report shall include the number of loans reinspected since August 1, 1940.

Column 3 - Enter the total number of loans on corn which has been determined to grade No. 3 or better for each year's crop under loan.

Column 4 - Enter the total number of loans for which the corn was determined to grade No. 4 or lower.

Column 5 - Enter the total number of farm-stored loans recommended to the State committee to be called, or in the case of steel bins, the number for which shipping orders were requested.

Column 6 - Enter the total number of loans that have been called by the Commodity Credit Corporation.

Total the entries made in the columns 1, 2, 3, 4, 5, and 6 on the line designated "Totals."

Similar data for reinspections of corn stored in steel bins should be entered in each column on the line designated "Steel Bins."

## Section 2.

This section is designed to make a detailed report of each loan when the corn collateral is determined to grade No. 4 or lower. Enter the name of the producer, loan serial number, bushels under loan, grade determination, and remarks in the respective columns for each loan represented by entries in Column 4, Section 1. Under "Remarks" state the reason for the corn's grading less than No. 3, its temperature, and whether the loan has been recommended to be called, and indicate if shelled or ear corn.

## Section 3.

Enter the name of the town or location of the steel bin, steel bin number, number of bushels in the bin, grade determination, and remarks in the respective columns for each bin represented by the entry on the last line in Column 4, Section 1. If steel-bin corn shipping orders have been requested, enter such information in the "Remarks" column.

Forms Corn Loan 25 should be prepared in triplicate in the county office and signed by a member of the county committee. Two copies shall be forwarded to the State committee not later than the fifth day of the month following the month to which the report pertains.

## Preparation of Corn Loan 26, State Report of Corn Condition

The State summary of reinspection reports on loan and steel-bin corn shall be prepared from the data appearing on the county reports by

transferring the totals thereon to the appropriate columns, according to alphabetical arrangement by counties. The state summary shall be forwarded to the office of the Regional Director, together with one copy of corn Loan 25, not later than the fifteenth of the month following the month represented by the report. A copy of Corn Loan 26 shall be forwarded to the Commodity Credit Corporation, Chicago, Illinois.

#### PART V. INSTRUCTIONS RELATIVE TO INSURANCE ADJUSTMENTS, CALLED LOANS, AND REPAYMENT OF LOANS.

A. Insurance Adjustments. The primary insurance purchased by the producer, as evidenced by an insurance certificate, covers any loss occasioned by fire, lightning, inherent explosion, wind storm, cyclone, tornado, or hail. The Commodity Credit Corporation has purchased secondary insurance coverage on all 1938 and 1939 extended corn loan collateral and 1940 corn loan collateral which covers any loss occasioned by flood, theft, conversion, and any errors or omissions in the primary insurance or failure of primary insurance companies to pay the loss.

Immediately upon being informed of damage or loss from any of the hazards covered by primary or secondary insurance, the county committee shall investigate and prepare a report on Corn Form 11, Revised, in quintuplicate and instruct the producer to take steps necessary to preserve the collateral against any further damage. In addition to information called for on Corn Loan 11, type in the legal description on which the corn was stored. The county committee shall forward one copy of Corn Loan 11 to the insurance company or agent issuing the primary insurance certificate; one copy to the Special Representative of the Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois, and two copies to the State office, retaining one copy for their files. The State committee shall forward one copy to the office of the Regional Director, and retain one copy on file.

The Commodity Credit Corporation is required to notify the company issuing the secondary insurance in all cases.

Total Loss Adjustment. In the event of loss or damage to any of the corn collateral, and such loss or damage is covered by primary or secondary insurance, the basis of adjustment shall be:

- (a) Primary insurance loss - The actual loss computed at market values as of the time and place of the loss; or the loan value plus storage paid and any unpaid interest, whichever is higher, provided the number of bushels and amount of insurance for which loss is claimed is not greater than the amount indicated on the insurance certificate.

Settlement will be made by the insurance company for loss of corn not mortgaged to the Commodity Credit Corporation (but included in the insurance certificate) at market value, provided such amount is indicated on the insurance certificate. The loss is payable to the insured, and the holder of the note secured by such corn, as their respective interest may appear.



- (b) Secondary insurance - The loan value plus storage advance, if any, plus any unpaid interest on such amount on the number of bushels mortgaged to the Corporation, payable to the Corporation. Any equity the producer may have because of the difference between marked value at the time of loss and the loan value, plus charges, will be paid to the borrower in cases of flood or theft.

Partial loss Adjustment. In the event that only part of the corn collateral has been damaged, any undamaged portion may be resealed in an acceptable farm-storage structure. If the undamaged portion of the corn is moved to a new location, not described in the chattel mortgage, a new chattel mortgage shall be prepared and filed of record. The amount of the loss will be paid to Commodity Credit Corporation and an endorsement made on the note showing a corresponding credit. In the event suitable storage space is not available on the farm, the Corporation will accept delivery of the undamaged corn collateral at a shipping point reasonably convenient to the producer, and credit the producer's note at loan value plus storage, and interest on the number of bushels so delivered, provided; that the producer delivers the corn collateral to an approved storage elevator, or an approved loading elevator, and a storage receipt is issued in the name of the Commodity Credit Corporation. In the event an approved elevator is not available, or corn cannot be delivered to an approved loading elevator in carload lots, the county committee shall request instructions from the Special Representative of the Commodity Credit Corporation. The producer waives all interest in the collateral so delivered and such collateral becomes the property of the Commodity Credit Corporation.

Resealing of Undamaged Collateral in Farm Storage. Arrangements for the resealing of the undamaged portion of the corn collateral for farm storage may be made by the primary or secondary insurance company with the producer. If the producer desires to continue any portion of the corn collateral under seal he should cooperate with the insurance company in providing suitable farm storage.

County committees may incur expense in connection with the inspection and resealing of the undamaged portion of the corn collateral. No other expense should be incurred except upon mutual agreement with the insurance company or producer that such expense will be assumed by them.

If the undamaged portion of the corn collateral is to be resealed in farm storage, the insurance company or the producer will arrange with the county committee to have the corn and structure reinspected, and if such corn and structure are found eligible, the county committee will issue a certificate (copy attached) and forward the original to the Commodity Credit Corporation, with a copy to the insurance company and a copy to the State committee, and attach a copy to chattel mortgage on file in the county office. The county office copy of the control card and Corn Loan 4 should be corrected.

B. Called Loans. A loan should be liquidated when the county committee, upon investigation, finds:

- (a) that the loan was obtained through fraud or misrepresentation;
- (b) that the collateral is heating, spoiling, or otherwise seriously deteriorating in quality and cannot be satisfactorily reconditioned on the farm to warrant the continuation of the loan;
- (c) that the collateral is damaged or threatened with damage from insects, rodents, or storage defects which cannot be controlled by the borrower;
- (d) that the collateral is in danger of damage or loss due to abandonment;
- (e) that all or any part of the loan collateral has been converted; or
- (f) that the borrower has filed a petition in bankruptcy.

Upon the happening or continuance of any of the above conditions, the county committee shall recommend that the loan be called by preparing four copies of Corn Loan 11, Revised, and sending them to the State office. At the same time the county committee shall forward a sample of the corn collateral to the State committee for grade analysis. After considering the report and the analysis of the sample, the State committee shall determine whether to concur with the county committee's recommendation. If the State committee concurs with the county committee, it shall note its approval on the copies of Corn Loan 11 and forward the original to the office of the Special Representative of Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois, one copy to the Regional Director, one copy to the county office, and retain one copy in the State office files. If the State committee does not concur with the county committee's recommendation, it shall return the original to the county office with appropriate notation and file the three copies in the State office. If the State committee receive Corn Loan 11 indicating that a crib or bin of corn collateral is deteriorating and that any further delay will result in an immediate loss to the borrower or the Corporation, the State committee shall immediately notify the county committee to have the corn delivered to an approved elevator to be held pending receipt of instructions on 1940 CCC Corn Form M for disposition of the corn and settlement with the borrower.

The county committee, upon return of Corn Loan 11 from the State office recommending that a loan or part thereof be called, shall, if the note is held by a lending agency other than Commodity Credit Corporation, immediately prepare 39-Corn Loan 24 (copy attached) in triplicate, forward the original to the lending agency, one copy to the Special Representative, and retain one copy in the county office files.

The Special Representative of the Commodity Credit Corporation, upon receipt of Corn Loan 11 from the State committee recommending that a loan



be called, will prepare 1940 CCC Corn Form L in quadruplicate and 1940 CCC Corn Form M in triplicate. (Copies attached) Two copies of Form L and one copy of Form M will be forwarded to the county office. The county office will forward one copy of Form L to the borrower. Copies of Forms L and M will be forwarded to the State committee by the Corporation. The county committee shall prepare form CCC Corn Form W in making its report to the Corporation upon completion of the delivery, sale or storage of the corn collateral.

If Commodity Credit Corporation determines through information furnished by the county or State committee that a loan was obtained through fraud or misrepresentation, the Corporation will call such loan, requesting full payment of the principal and interest (also storage advance in case of extended loan) by means of a letter prepared by the Special Representative. The county committee, upon receipt of Forms L and M, will collect the face value of the note, plus interest and accrued charges, as outlined in Form L, or proceed according to the instructions contained in Form M.

In the event the borrower elects to deliver the loan collateral, and in the event the number of bushels delivered is not sufficient to ship, or the quality or grade of the corn upon delivery differs from that indicated on Corn Loan 11, or if in the judgment of the county committee the corn can be marketed locally to better advantage, or if the corn may be needed in the locality in the near future and the quality of the corn is such that it can be stored without danger of loss, the county committee shall report the facts to the Special Representative of Commodity Credit Corporation, together with its recommendation, and a copy of this report and recommendation shall be forwarded to the State committee.

In the event the borrower does not pay his note, and after being requested, refuses to deliver his corn in accordance with the terms of his chattel mortgage, the county committee shall arrange for the shelling (if necessary) and transportation of the corn to an approved elevator. In the event the producer fails to deliver and refuses to permit the county committee to take possession of the corn, full information shall be furnished to the Special Representative of the Commodity Credit Corporation at Chicago, Illinois, for institution of foreclosure proceedings. The county committee shall forward a copy of such information to the State committee.

When corn is delivered in satisfaction of the note and mortgage, delivery should be made to an approved warehouse, if available, or if less than a carload to an approved storage warehouse. In the event an approved warehouse is not available, carlots of corn may be delivered to a warehouse signing a Corn Loan 28. Corn may be delivered and stored in CCC steel bins when the quality of such corn is acceptable. In the event an approved elevator is not available and the amount of corn to be delivered is less than a carload, the county committee shall request instructions from the Special Representative of the Commodity Credit Corporation.

Upon completion of the delivery of the corn by the borrower, and the shipment, sale, or storage as instructed by the Corporation, the county

committee shall prepare a complete report on Form W, in triplicate, submit one copy to the Special Representative, one copy to the State committee, and retain one copy in the county office. Any amount due resulting from shortage in quantity, quality, or storage advances, shall be collected from the borrower by the county committee, and remittance attached to the copies of Form W forwarded to the Special Representative. Storage earned by the producer will be credited on any amount due the Commodity Credit Corporation. In the event any deficiency is not collected by the county committee, a set-off will be filed with the Secretary of Agriculture for such amount by the Commodity Credit Corporation.

Partial liquidation of called loans. In case a loan covers more than one bin or crib, and the corn in only one or in more than one but less than all of the bins or cribs is damaged or threatened with damage, the county committee may require delivery or settlement for all the corn contained in the bin or crib containing damaged corn, and continue under seal the bin or crib that contains no damaged corn. The Commodity Credit Corporation will credit the borrower with such partial delivery and make the appropriate notation of such credit on the note. The county committee shall credit the borrower on the county office copy of the producer's note, control card, and Corn Loan 4, after receiving notice of the correct amount from the Commodity Credit Corporation.

C. Redemption of Corn Collateral by Borrower. A producer may redeem his corn collateral at any time prior to the delivery of the corn to Commodity Credit Corporation by the payment to the county committee, lending agency holding the note, or Commodity Credit Corporation, the face value of the note, plus interest, less storage credit, if any, determined as follows:

1. 1938 and 1939 Corn: Original loan value of 57 cents in commercial corn area, or 43 cents in noncommercial area (except 1939 mixed corn, 2 cents less), plus 5 cents storage advance made for one-year storage, or 10 cents storage advance made for two-year storage, plus interest at 3 percent, beginning August 1, 1940, on the total amount. A credit of 1/2 cent per bushel for each full month of storage (beginning October 1, 1940, for a one-year storage and December 1, 1940, for a two-year storage not to exceed amount of storage advance) will be applied to the redemption value.
2. 1940 Corn: Loan value plus 3 percent interest from date of note.

County committees may release loan corn if paid the full amount of the loan as determined above, or if they have received the canceled notes or mortgages from the Commodity Credit Corporation, or if they have received the canceled notes from a lending agency.

Producers who have placed two or more bins or cribs under one loan may redeem one or more of such bins or cribs, as above outlined, and corresponding credit will be shown on their notes. Release of only a part of a bin or crib will not be permitted.



County committees may authorize the release of farm-stored loan corn for the purpose of delivery for sale upon the request of producers only if county committees are satisfied that satisfactory arrangements have been made to forward to the county committee enough of the proceeds of the sale of the corn to pay the loan in full, and that in the event such proceeds are insufficient, the producer will immediately pay any difference.

In some cases, producers may wish to release a bin or crib and deliver part of the corn and use the remainder for feed on the farm. If it is impossible for such a producer to make satisfactory arrangements with his bank or otherwise to pay the full amount of the loan in advance, and the proceeds of the sale of corn are needed to pay the loan, county committees should be careful in authorizing release and supervising delivery of the corn so that the interests of Commodity Credit Corporation are protected at all times. No loan corn should be released for the purpose of feeding on the farm until the borrower has made settlement in full for same.

In all cases of delivery and liquidation of loan corn, it is well for both producer and prospective purchaser to understand that they are handling mortgaged property and that all transactions should be made in a legal and business-like manner.

It should be borne in mind that the permission to remove the seal and shell and deliver the corn does not constitute release of the chattel mortgage. The mortgage is released only when the canceled note is returned.

#### PART VI. INSTRUCTIONS TO STATE AND COUNTY COMMITTEES RELATIVE TO DELIVERY OF CORN COLLATERAL.

The Commodity Credit Corporation maintains a central office at 164 West Jackson Boulevard, Chicago, Illinois, for the handling of all loans. All reports in connection with the delivery or payment of corn loans should be directed to that office.

##### A. Procedure Prior to Delivery of Corn to the Warehouse.

When it has been determined that corn collateral is to be delivered to Commodity Credit Corporation, county committees shall prepare Corn Loan 15 in duplicate for each serially numbered loan, and turn it over to an inspector. The inspector, upon receipt of Corn Loan 15, shall call at the farm and inspect the corn to be delivered in order to determine if there has been an insurable loss. If it is determined that there has been no insurable loss and the quality of the corn is acceptable, the inspector shall fill in the name of the approved warehouse to which the corn is to be delivered and give to the producer a copy of the Corn Loan 15. The carbon copy of Corn Loan 15 will then be delivered to the warehouseman by the inspector. The inspector should inform the producer that upon delivery of the corn to the warehouse stated in Corn Loan 15, a representative sample of not less than 2-2½ quarts must be taken, and that he and the warehouseman are to agree upon the grade of the corn delivered and are to sign both copies of Corn Loan 15. Also that the representative sample and both copies of Corn Loan 15 are to be submitted to the county committee.

In the event the inspector determines that there has been an insurable loss, he should not authorize delivery of the corn, but complete form Corn Loan 11, giving full explanation of the loss, and return it to the county committee (see instructions relative to insurable losses).

B. Procedure After Delivery of Corn to the Warehouse, or Steel Bin.

After corn collateral has been delivered to an approved warehouse or for steel bin storage, the county committee shall act in the capacity of a referee. The various steps to be taken by the county committee, the producer, and the warehouseman, are outlined as follows:

1. The warehouseman takes a representative sample of the lot of corn delivered (1 representative sample of 2-2/8 quarts for each seal number) which is agreed upon by the producer.
2. The warehouseman and producer agree on the grade of corn delivered which is entered on Corn Loan 15 and signed by both parties.
3. The sample and two copies of Corn Loan 15 are transmitted to the county office.
4. 1-1/8 quarts of the sample shall be reviewed by the county committee (if authorized by State committee to grade corn otherwise reviewed by State committee) and compared with the grade agreed upon by producer and warehouseman.
5. If the grade is in agreement with that of the warehouseman and producer, the county committee (if authorized by State committee) or the State committee shall sign Corn Loan 15. Copies shall be furnished warehouseman, producer, Commodity Credit Corporation, and copy shall be on file in State and county offices.
6. If the grade of the sample is not in agreement with the grade agreed upon by producer and warehouseman, the county committee shall contact the warehouseman and producer and if they are not willing to change the grade to conform to the county or State committee grade, the remaining sample held in the county office will be forwarded to the Federal Grain Supervisor serving the area for grade determination whose grade shall be final and warehouse receipts or scale tickets issued accordingly.
7. The grade agreed upon by producer and warehouseman if approved by county committee shall be used in settlement by producer and Commodity Credit Corporation. If the grade is not agreed upon by all parties the grade of the Federal Grain Supervisor shall be used for settlement. The weights agreed upon by producer and warehouseman at point of Delivery shall be final and settlement with Commodity made on that basis.



8. In the cases where approved warehouse is not available, producers may be authorized to load and ship their corn for which Commodity will pay the producers 2¢ per bushel and county committee 1/2 cent per bushel for supervision. Settlement will be made on terminal weights and grade. When two or more producers load a car, settlement will be made on the same grade for all producers and weights will be prorated on the basis of contribution.

C. Reports by County Committee.

(a) Warehouse Deliveries:

1. Upon the completion of the delivery of corn by the producer and if the grade and weights are agreed upon by producer, warehouseman and the county committee, Corn Form W shall be completed for each serially numbered loan and a copy of Corn Loan 15 attached.
2. In all cases where corn is delivered to a warehouse for storage or shipment, the warehouseman shall issue a warehouse receipt or scale ticket.
3. If the corn is to be stored in the warehouse the county committee shall obtain the warehouse receipt, enter the information in Item 4 of Corn Form W, and attach the receipt to Corn Form W.
4. If the corn is to be shipped, the warehouseman will keep the warehouse receipt but the county committee shall secure the number of such warehouse receipt or scale ticket, date, grade, and number of bushels, and enter such information on Corn Form W in item 4.
5. When Items 1, 2, 3, and 4 as above outlined have been completed, Corn Form W shall be forwarded to Commodity Credit Corporation, Chicago, Illinois.
6. Item 5 of Corn Form W will be used by the county committee only in the case when the producer ships his own corn.

(b) Steel-Bin Deliveries

1. Sampling and weighing of collateral are handled in the same manner for storage in steel bins as in warehouse storage.
2. The county committee (if authorized by State committee) or the State committee will grade the sample of corn and enter results on Corn Loan 15.
3. The producer, if not satisfied with county or State corn grade, may request that the sample on file in the county office be forwarded to the Federal Grain Supervisor serving the area, whose grade will be final and entered on Corn Loan 15.

3. The producer, if not satisfied with county or State corn grade, may request that the sample on file in the county office be forwarded to the Federal Grain Supervisor serving the area, whose grade will be final and entered on Corn Loan 15.
4. Corn Loan 16 should be completed for each serially numbered loan.
5. Corn Form W should be completed for each loan and forwarded to Commodity Credit Corporation, Chicago, Illinois, with copy of forms Corn Loan 15 and 16 attached.
6. The X-1 card should be completed and forwarded to Commodity Credit Corporation immediately after each bin is filled.

D. Deficiencies in Quality of Corn Delivered.

If corn is delivered which grades less than No. 3, or is of a different class than that shown in the chattel mortgage, a deficiency will be charged, and if not paid by the producer, a set-off will be filed against any payment due the producer under the agricultural adjustment program. The amount of the deficiency will be determined by the following schedule of discounts, except that there will be no deficiency charged for corn grading No. 4 solely on account of test weight.

Schedule of Discounts for Yellow, White, and Mixed Corn.

Grade No. 4 - One Cent (1¢) per Bushel  
 Grade No. 5 - Two Cents (2¢) per Bushel

Minimum Test Weight (Pounds)	Sample Grade			Discount Rate Per Bushel (Cents)
	Moisture (Percent)	Total Damaged (Percent)	Heat Damaged (Percent)	
44	17.5	15.1 - 19.9	5	3
44	17.5	20.0 - 24.9	5	4
44	17.5	25.0 - 29.9	5	6
44	17.5	30.0 - 34.9	5	8
44	17.5	35.0 - 40.0	5	10

Any lot of corn grading Sample Grade solely on account of stones and/or cinders, or which is musty, or which has any commercially objectionable foreign odor, or cockle burrs, or rodent excreta, will have a discount of one cent (1¢) per bushel. This one cent (1¢) will be an additional discount if the corn grades Sample due to any of the factors as shown in the above schedule.

Any lot of corn grading No. 3, 4, 5, or Sample, containing weevil or moth infestation, will have an additional one-half cent (1/2¢) discount.



Discounts will have to be settled by the Special Representative for all corn grading sour, heating, or not coming within the classification of this schedule of discounts.

E. Deficiencies in Quantity of Corn Delivered.

If a lesser number of bushels of corn is delivered than that shown in section 1 of the chattel mortgage, a deficiency shall be charged and if not paid by the producer shall be set off against any payment due the producer under the agricultural conservation program. The amount of the deficiency will be determined by the difference between the number of bushels delivered and the number of bushels stated in the chattel mortgage at loan value plus interest, unless such difference is caused by a loss covered by insurance.

1940 CCC CORN FORM L  
U. S. Department of Agriculture,  
Agricultural Adjustment Administration

Corn Loan \_\_\_\_\_  
(Year)

To \_\_\_\_\_  
(Producer)  
\_\_\_\_\_  
(Address)

State \_\_\_\_\_  
County \_\_\_\_\_  
Serial No. \_\_\_\_\_  
Amount of Loan--\$ \_\_\_\_\_

Dear Sir:

You are hereby advised that your corn loan note, or part thereof,  
dated \_\_\_\_\_ is declared to be immediately due and payable as  
follows:

Principal amount of note called (secured by \_\_\_\_\_ bushels of \_\_\_\_\_ corn  
(color)

under Seal No.(s) \_\_\_\_\_). \$ \_\_\_\_\_

Interest Computed on Above Amount to Date \$ \_\_\_\_\_

Total - \$ \_\_\_\_\_

Storage Credit to Date

\$ \_\_\_\_\_

Amount Due \$ \_\_\_\_\_

The daily accrual of interest on the above amount from this date to  
the date funds are available to the Federal Reserve Bank at Chicago, is  
\$ \_\_\_\_\_ per day which shall be added to the amount due.

After the above settlement there will remain under the above loan  
\_\_\_\_\_ bushels of corn under Seal No.(s) \_\_\_\_\_ representing  
\$ \_\_\_\_\_ of your note.

You may pay the amount declared due or pursuant to the terms of the  
chattel mortgage, you are hereby directed to shell (if not shelled) and de-  
liver the corn collateral in accordance with instructions from the county  
agricultural conservation committee which, acting as representative of Com-  
modity Credit Corporation, will deliver this notice to you.

Your attention is called to the provisions of the chattel mortgage  
regarding your responsibility in the event of your failure to deliver No. 3  
corn or better, or No. 4 corn solely on test weight, of the quantity stated  
in the chattel mortgage.

COMMODITY CREDIT CORPORATION

By \_\_\_\_\_, Agent

164 West Jackson Boulevard  
Chicago, Illinois.

Date \_\_\_\_\_



1940 CCC CORN FORM M

Corn Loan \_\_\_\_\_  
(Year)

TO: \_\_\_\_\_ County  
Agricultural Conservation Committee  
\_\_\_\_\_

State \_\_\_\_\_  
County \_\_\_\_\_  
Serial No. \_\_\_\_\_  
Amt. of Loan \$ \_\_\_\_\_

Dear Sirs:

Attached is an original and one copy of Form L directed to \_\_\_\_\_  
(Name of \_\_\_\_\_, relative to the above loan. You are authorized and  
Producer)  
requested to deliver the original immediately to the designated producer. This  
notice declares his corn loan or part thereof to be immediately due and payable.

Any member of your Committee is hereby authorized and requested to represent  
Commodity Credit Corporation in the liquidation of this loan. You are to proceed  
at once with the collection of this loan or part thereof in full, or (a) ship the  
corn to \_\_\_\_\_,  
or (b) \_\_\_\_\_

A complete report on CCC Corn Form W should be submitted for each loan  
or part of a loan called. Any deficiency resulting from a shortage in the number  
of bushels delivered shall be computed at \_\_\_\_\_ cents per bushel which includes  
loan value and interest to the date shown below. In addition, interest will be  
charged at the rate of 3 percent per annum on original amount of the loan from  
date of this notice to the date funds are available to the Federal Reserve Bank  
at Chicago. Grade deficiencies shall be computed in accordance with the schedule  
of discounts contained in AAA 40-Corn Loan 2. Storage advance on corn called  
plus interest to date is \$ \_\_\_\_\_. In addition interest will be charged at the  
rate of 3 percent per annum on such amount from date of this notice to the date  
funds are available to the Federal Reserve Bank at Chicago.

You should, if possible, secure payment of the amount due, if any. Full  
information regarding any deficiency should be given on Form W in order that  
Commodity Credit Corporation may file an offset request if necessary. Also  
supply any information upon which to base a claim for insurance or other pertinent  
information.

COMMODITY CREDIT CORPORATION

By \_\_\_\_\_, Agent  
(Chicago Loan Agency  
Reconstruction Finance Corporation)

Date \_\_\_\_\_

CERTIFICATE OF COUNTY COMMITTEE

Re: Resealing Undamaged Collateral

Producer \_\_\_\_\_ State \_\_\_\_\_  
(Name) (Address)  
County \_\_\_\_\_  
Delivery Point \_\_\_\_\_ Seal No. \_\_\_\_\_ Serial No. \_\_\_\_\_  
(Station) (Railroad)  
Payee \_\_\_\_\_ No. Bu. \_\_\_\_\_ Amt. \_\_\_\_\_  
(Name) (Address)  
Insured by \_\_\_\_\_  
(Company) (Address)

Commodity Credit Corporation,  
164 West Jackson Boulevard,  
Chicago, Illinois.

The undersigned member of the county agricultural conservation committee hereby certifies that the corn collateral securing the above-named producer's loan was reinspected on \_\_\_\_\_ 194\_\_\_\_, after reported damage caused by \_\_\_\_\_  
(date)  
\_\_\_\_\_  
(insurable cause explained)

that undamaged portion of the corn collateral securing the above-named loan has been resealed in an acceptable storage structure and such collateral meets the requirements of the Commodity Credit Corporation. A full accounting of the collateral is now as follows:

Resealed as (ear) (shelled) corn under Seal No. _____	_____ bu.
Redeemed by Producer _____	_____ bu.
Settlement made by Insurance Company _____	_____ bu.
Delivered to _____	_____ bu.
(Warehouseman) (Address)	
Total .....	_____ bu.

County Agricultural Conservation Committee.

By \_\_\_\_\_

Date \_\_\_\_\_ 19\_\_\_\_.



39-Corn Loan 24

Date \_\_\_\_\_

To:

Gentlemen:

Please attach the duplicate copy of this form to the corn loan note  
of \_\_\_\_\_, \_\_\_\_\_,  
(Producer) (Address)  
Loan Serial No. \_\_\_\_\_, Amount \_\_\_\_\_, Bushels \_\_\_\_\_,  
and forward to the Commodity Credit Corporation, 164 West Jackson Boulevard,  
Chicago, Illinois, for purchase.

\_\_\_\_\_  
County  
Agricultural Conservation Committee

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Chairman)

Corn Loan 25  
United States Department of Agriculture  
Agricultural Adjustment Administration

County \_\_\_\_\_  
State \_\_\_\_\_  
Date \_\_\_\_\_

COUNTY REPORT OF CORN CONDITION

Section 1

Summary for period ending \_\_\_\_\_, 194\_\_.

N U M B E R O F L O A N S						
Year Corn Produced	In County (1)	Reinspected (2)	No. 3 or Better (3)	No. 4 or Lower (4) *	Recommended for Call (5)	Called (6)
1938 Shelled						
1938 Ear						
1939 Shelled						
1939 Ear						
1940 Shelled						
1940 Ear						
Totals						
Steel				**		
Bins						

\* Loans to be itemized in Section 2

\*\* Bins to be itemized in Section 3

Section 2 Individual Report of Loan Corn Grading No. 4 or Lower

Producer's Name *	Serial Number	Bushels	Grade	Remarks
(1)	(2)	(3)	(4)	(5)

\* List all loans represented by entries in column 4 of Section 1

Section 3 Individual Report of Steel-Bin Corn Grading No. 4 of Lower

Steel Bin Location **	Bin Number	Bushels	Grade	Remarks
(1)	(2)	(3)	(4)	(5)

\* List all Steel Bins represented by entries in column 4 of Section 1.

Dated \_\_\_\_\_

County Agricultural Conservation  
Association

By \_\_\_\_\_ Chairman.



State \_\_\_\_\_

Date \_\_\_\_\_

STATE REPORT OF CORN CONDITION

Summary for Period Ending \_\_\_\_\_ 194\_.

	FARM STORED CORN				CCC CORN IN STEEL BINS			
	Total No. inspect- ed	No. 3 or Better	No. 4 or Lower	No. Loans Rec. for Call	Total No. inspect- ed	No. 3 or Better	No. 4 or Lower	No. Bins Rec. for Call
County								
Totals								

Corn Loan 28  
United States Department of Agriculture  
Agricultural Adjustment Administration

County \_\_\_\_\_  
State \_\_\_\_\_

CORN SHIPPING AGREEMENT

THIS AGREEMENT, made and entered into by and between \_\_\_\_\_  
County Agricultural Conservation Association (hereinafter called the  
"Association") and \_\_\_\_\_ (hereinafter  
(Name and Address)  
called the "Warehouseman");

WITNESSETH

Whereas, the Commodity Credit Corporation, Washington, D. C., a corporation acting as an agency of the United States (hereinafter called "Commodity") has made loans on corn with producers; and

Whereas, loans made on such corn may be satisfied by the delivery of the corn to Commodity; and

Whereas, there are no warehousemen in the community that have signed a "Uniform Warehouse Storage Agreement" with the Secretary of Agriculture:

Now, Therefore, In consideration of the premises, the parties hereto agree as follows:

1. The Association will make arrangements with the producers to have the corn delivered to the warehouseman for shipment on order of Commodity.
2. The Warehouseman will weigh each load of corn delivered and furnish the Association a scale ticket for each load and further will take a representative sample of the lot of corn delivered by the producer and divide the same into two equal parts and deliver the samples to the Association.
3. The Warehouseman will load the identical corn on cars, protecting the Commodity from minimum weights and loading each producer's corn in one car insofar as possible. He will furnish the Association with the weights of each producer's corn loaded in each car, listing the car number.
4. The Association will submit one sample of each producer's corn to the State agricultural conservation committee for grade determination, and the Warehouseman agrees to be bound by such grade (appeal may be requested by Warehouseman).



5. The Warehouseman warrants the grade and weights of corn loaded to arrive at destination.

6. In consideration of the above services rendered, the Association, as agent of Commodity, agrees to pay the Warehouseman two cents (2¢) per bushel, it further being understood that such amount is subject to deduction for any deficiency in weights or grade arriving at destination.

7. This agreement may be revoked by either party at any time provided notice is given in writing, but all corn received by the Warehouseman prior to receipt of the revocation will be handled in accordance with this agreement. In all cases, this agreement terminates January 1, 1941.

IN WITNESS WHEREOF, The parties hereto have executed this agreement in triplicate this \_\_\_\_\_ day of \_\_\_\_\_, 1940.

WITNESS:

\_\_\_\_\_  
County Agricultural  
Conservation Association

By \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

WITNESS:

\_\_\_\_\_  
Warehouseman

By \_\_\_\_\_  
\_\_\_\_\_

40-Corn Loan 2 (East Central Division) Issued November 29, 1940

UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION  
WASHINGTON, D. C.LIBRARY  
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★ FEB 3 1941 ★  
U. S. Department of AgricultureInstructions for State and County Committees for Determining  
Eligibility and Completing Documents for Loans on 1940 Corn.

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## Part I - General Instructions.

Loans will be made by Commodity Credit Corporation on ear and shelled corn produced in 1940 when stored on the farm and meeting the requirements hereinafter set forth.

Regulations

State and county committees will be governed in the inspection and sealing of corn collateral for 1940 corn loans by Commodity Loan Regulations No. 1, as amended October 21, 1939, Regulations Governing Inspection and Sealing of Agricultural Commodities, on the Farm To Be Used as Collateral for Loans, and Completion of Loan Documents - Pursuant to the Provisions of the Agricultural Adjustment Act of 1938, as Amended, and 1940 CCC Corn Form 1 - Instructions.

### A - APPLICANTS.

Producers desiring loans on their 1940 corn should make application to the county committee of the county in which the corn is stored. The county committee should explain the program to the producer. If it appears that the producer and his corn are eligible for a loan, the county committee should prepare Section 1 of Work Sheet, 39 Corn Loan 1, and direct the corn loan inspector to call at the farm to inspect the corn and structure. A representative sample from each crib or bin and both copies of the work sheet shall be forwarded by the inspector for grade determination to the State office or county office as directed by the State committee; one copy showing the grade determination shall be returned to the county office by the State committee, or if grade determination made by county office, a completed copy forwarded to State committee. If the storage structure and corn are found to be eligible for a loan, the county committee shall prepare the loan documents and notify the applicant to call at the county office to sign the loan document and to complete the loan.

Producers transferring eligible corn to a county other than the one in which it was produced shall furnish the committee of the county where the corn is stored with a written certification as to his eligibility, the eligibility of such corn, the proper loan rate, and a list of existing liens, signed by a member of the committee of the county where the corn was produced. The loan rate of the county where the corn was produced shall prevail.

In States where the chattel mortgage must be filed in the county where the producer lives, the county committee may prepare loan documents in the county where the producer lives for corn stored in an adjoining county, provided the land upon which the corn is stored is considered part of the borrower's farming unit and is listed in the county in which the borrower lives under the Agricultural Conservation Program.

### B - ELIGIBLE PRODUCER

As defined in 1940 CCC Corn Form 1, an eligible producer in the commercial corn area shall be any person, partnership, association, or corporation producing corn as landowner, landlord, or tenant, upon whose

farm the 1940 field corn acreage planted did not exceed the corn acreage allotment established for the farm, pursuant to Title III of the Agricultural Adjustment Act of 1938, as amended, and in the noncommercial corn area, an eligible producer shall be any person, partnership, association, or corporation, producing corn as landowner, landlord, or tenant, upon whose farm the total 1940 acreage of soil-depleting crops did not exceed the total acreage allotment for soil-depleting crops established for the farm pursuant to the provisions of the 1940 Agricultural Conservation Program.

A producer shall be deemed eligible to apply for a corn loan if the farm for which he makes application has been measured and if the farm is eligible to participate in the 1940 farm programs. A farm for the purpose of determining a producer's eligibility shall be the same as defined for the agricultural conservation program.

### C - ELIGIBLE CORN

For the purpose of 1940 corn loans, eligible corn is defined as merchantable field corn produced in 1940, husked and in the ear or shelled, stored in acceptable cribs or bins on the farm and grading No. 3 or better (except for moisture content and test weight) as defined in the Official Grain Standards of U. S. on the basis of a representative sample taken from each crib or bin offered as collateral for a loan, provided:

1. Beneficial interest to such corn is and always has been in the eligible producer or such corn was purchased from another eligible producer by an eligible producer who will operate a different farm in 1941 (or 1942) from that operated in 1940 (or 1941); and the total number of bushels thus purchased or placed under loan is not in excess of the number of bushels of eligible corn produced by the applicant as an eligible producer.
2. Ear corn accepted as collateral for loans between December 1, 1940, and February 28, 1941, inclusive, shall not have a moisture content in excess of 20-1/2 percent.
3. Ear corn accepted as collateral for loans between March 1, 1941, and April 30, 1941, inclusive, shall not have a moisture content in excess of 17-1/2 percent.
4. Ear corn accepted as collateral for loans between May 1, 1941, and September 30, 1941, inclusive, shall not have a moisture content in excess of 15-1/2 percent.
5. Shelled corn accepted as collateral for loans between July 1, 1941, and September 30, 1941, inclusive, shall not have a moisture content in excess of 13-1/2 percent. (Loans on shelled corn shall not be available prior to July 1, 1941).

In counties designated by the State committees and approved by the Regional Director as Angoumois moth infested areas, eligibility is confined to ear corn pledged for a loan between December 1, 1940, and February 28, 1941, inclusive, otherwise meeting the above requirements.



#### D - LOAN RATE

The loan rate on 1940 ear or shelled corn in farm storage will be 61 cents per bushel for eligible corn produced in the commercial corn area, and 46 cents per bushel for eligible corn produced in the non-commercial corn area, except that corn otherwise eligible grading MIXED in accordance with the United States Grain Standards shall have a loan rate of 2 cents per bushel less than the applicable rate stated above.

#### E.- DATES AVAILABLE, MATURITY OF LOAN AND INTEREST RATE.

Loans on eligible ear corn produced in 1940 are available to eligible producers from December 1, 1940, to September 30, 1941, inclusive. Loans on eligible shelled corn produced in 1940 are available to eligible producers from July 1, 1941, to September 30, 1941, inclusive. Except that loans will be available on eligible ear corn in counties designated as Angoumois moth infested areas from December 1, 1940 to February 28, 1941, inclusive.

All loans will bear 3 percent interest and mature August 1, 1943. However, loans may be satisfied prior to the date of maturity under any of the following conditions:

1. Payment by borrower of the face value of the note, plus interest.
2. Upon demand by Commodity Credit Corporation.
3. Delivery of corn collateral during August, September, and October, 1942, upon 30 days prior written notice to the county committee.
4. Delivery of the corn collateral during August, September, and October, 1941, upon 30 days prior written notice to county committee, applicable only as follows: Loans were completed prior to April 1, 1941, and the producer has lost possession of the farm on which the corn is stored or has received notice from his landlord, copy of which is filed with the county committee, requesting removal of the corn from the structures in which it is stored. Landlord and tenant signing a joint note will be governed by the above procedure, and in the event the landlord requests the removal of the tenant's portion of the corn, such corn may be delivered and a new note made out on the balance of the corn in the name of the landlord.

#### F - SERVICE FEE

The fee for inspecting corn and storage structures on the farm, sealing the structures, and completing and handling the loan documents, shall be 1 cent per bushel. This will be a uniform fee in all counties and States and will be based upon the net amount of bushels placed under loan.

## F - SERVICE FEE

The fee for inspecting corn and storage structures on the farm, sealing the structures, and completing and handling the loan documents, will be one cent per bushel, except that in the East Central region a minimum fee of \$3.00 will be collected. The applicant must pay to the county committee a preliminary fee of \$3.00 at the time he applies for a loan. The preliminary fee of \$3.00 shall be forfeited by the applicant if for any reason the loan is not completed.

This preliminary fee will be credited to the total fee, and the applicant will pay the balance when the county committee certifies the loan, either in cash or by naming the treasurer of the county association in that part of 1940 Corn Form A which shows disbursements to be made. The original and one copy of 1940 Corn Form A will be forwarded to the lending agency, who in turn will designate in the appropriate part of 1940 Corn Form A the date on which the disbursement is made to the treasurer of the county association, i.e., "Disbursed December 23, 1940." When the lending agency transmits this payment to the association treasurer, it will enclose a copy of 1940 Corn Loan A, showing disbursements made. The county committee will then check on Form Corn Loan 4, Revised, the amount and enter the date the sealing fee was received. The county committee will then fill out the receipt, Form CL-2, sending the original to the producer, transmitting a copy with the State Office copy of the monthly expense account, and retaining the third copy in the county association files.

The total amount of fees collected during each calendar month should be reported in line 1(c) of the Form ACP-8 prepared for the succeeding month. A written statement should be attached to all copies of the expense account identifying such collections as "Fees collected in connection with corn loans, \$ \_\_\_\_\_".

There shall be transmitted by check, through the State office, to the Commodity Credit Corporation, Washington, D. C., an amount equivalent to 25% of the total fees collected and reported on the Form ACP-8 for each month.

## G - ELIGIBLE STORAGE STRUCTURES AND ACCEPTABLE CRIB WIDTHS

Eligible storage structures shall consist of cribs or bins which are of such substantial and permanent construction as to afford safe storage of corn and afford protection against rodents, other animals, thieves, and weather, as determined by the county agricultural conservation committee, and approved by State committee.

The most important dimensions to be considered in the safe storage of corn is crib WIDTH.

State and county committees are hereby instructed to reject ear corn offered as collateral for a loan which is stored in a crib having a width greater than the recommended width for the county, unless the moisture content of the corn is at least 1 percent less than 20-1/2 percent for each foot or fraction thereof in excess of the recommended width. In the case of round cribs with center ventilator the distance from the ventilator to the outside wall shall constitute the width, and for round cribs without center ventilator the width shall be considered to be two-thirds of the diameter.



Illustration: If the recommended width of the cribs for the county is 7 feet and a crib containing corn offered as collateral is 10 feet wide, the corn will be rejected if it tests more than  $17\frac{1}{2}$  per-cent moisture.

NORTH CENTRAL REGION -- The crib widths for this region as recommended by the United States Department of Agriculture are as follows:

#### ILLINOIS

6-foot area.-- Lake and McHenry Counties.

7-foot area.-- Boone, Carroll, Cook, De Kalb, Du Page, Grundy, Iroquois, Jo Daviess, Kane, Kankakee, Kendall, La Salle, Lee, Ogle, Stephenson, Whiteside, Will, and Winnebago.

8-foot area.-- All other counties.

#### INDIANA

6-foot area.-- Allen, Elkhart, De Kalb, Kosciusko, La Porte, Lagrange, Marshall, Noble, Stark, Steuben, St. Joseph, and Whitley.

7-foot area.-- Adams, Benton, Blackford, Carroll, Cass, Clinton, Delaware, Fayette, Franklin, Fulton, Grant, Hamilton, Hancock, Henry, Howard, Huntington, Jasper, Jay, Lake, Madison, Miami, Newton, Porter, Pulaski, Randolph, Rush, Tippecanoe, Tipton, Union, Wabash, Wayne, Wells, and White.

8-foot area.-- All other counties.

#### IOWA

6-foot area.-- Allamakee, Clayton, Howard, Winneshiek.

7-foot area.-- Buchanan, Black Hawk, Bremer, Butler, Cerro Gordo, Chickasaw, Clinton, Delaware, Dickinson, Dubuque, Emmett, Fayette, Floyd, Franklin, Hancock, Jackson, Jones, Kossuth, Mitchell, Osceola, Winnebago, and Worth.

8-foot area.-- All counties not listed in other three areas.

9-foot area.-- Adams, Cass, Fremont, Harrison, Mills, Montgomery, Page, Pottawattamie, Shelby, and Taylor.

#### MICHIGAN

6-foot area.-- All counties.

#### MINNESOTA

6-foot area.-- All counties not in 7-foot area.

7-foot area.-- Brown, Blue Earth, Cottonwood, Faribault, Jackson, Lac qui Parle, Lincoln, Lyon, Martin, Murray, Nobles, Pipestone, Rock, Watonwan, Redwood, and Yellow Medicine.

#### MISSOURI

8-foot area.-- All counties except those in the 9-foot area.

9-foot area.-- Andrew, Atchison, Bates, Barton, Buchanan, Cass, Clay, Clinton, DeKalb, Gentry, Holt, Jackson, Jasper, McDonald, Newton, Nodaway, Platte, Vernon, and Worth.

#### NEBRASKA

8-foot area.-- Cedar, Dakota, Dixon, Thurston, and Wayne.

9-foot area.-- All counties not listed in the other two areas.

10-foot area.-- Adams, Buffalo, Clay, Chase, Custer, Dawson, Dundy, Fillmore, Franklin, Frontier, Furnas, Gosper, Hall, Hamilton, Harland, Hayes, Hitchcock, Howard, Jefferson, Kearney, Keith, Lincoln, Merrick, Nuckolls, Phelps, Perkins, Red Willow, Saline, Thayer, and Webster.

#### OHIO

6-foot area.-- Allen, Ashland, Ashtabula, Carroll, Columbiana, Coshocton, Cuyahoga, Crawford, Defiance, Erie, Fulton, Geauga, Hancock, Harding, Harrison, Henry, Holmes, Huron, Jefferson, Knox, Lake, Lorain, Lucas, Marion, Mahoning, Medina, Morrow, Paulding, Putnam, Portage, Ottawa, Richland, Sandusky, Stark, Seneca, Summit, Trumbull, Tuscarawas, Van Wert, Wayne, Williams, Wood, and Wyandot.

7-foot area.-- All other counties.

#### SOUTH DAKOTA

7-foot area.-- All counties not listed in the 8-foot area.

8-foot area.-- Bone Homme, Charles Mix, Clay, Douglas, Gregory, Hutchinson, Lincoln, Turner, Union, and Yankton.

#### WISCONSIN

6-foot area.-- All counties.

OTHER REGIONS.-- The recommended crib width shall not be in excess of the width considered practicable for safe storage in the county as determined by the State and county committees.

#### H - VERTICALLY VENTILATED STORAGE STRUCTURES

Corn stored in vertically ventilated, tight-walled storage structures will be acceptable for loans, provided:



1. The structure is a separate unit located where there is a free circulation of air from all directions.
2. It has a secondary slatted bottom at least 8 inches above the solid bottom which permits air to circulate upward through the corn.
3. The roof is equipped with an effective rotary or syphon ventilator, and the structure has an adequate air inlet under the grate floor which can be closed in bad weather.
4. The depth of corn in such a structure is no greater than the recommended crib width for the county in which the structure is located and the moisture content of the corn does not exceed 18-1/2 percent.
5. In case the depth of corn is greater than the recommended width for the county, the corn will be acceptable for loan provided the moisture content of the corn is one-half percent less than 18-1/2 percent for each additional foot in depth.

PART II. -- INSTRUCTIONS FOR INSPECTORS, COUNTY AND STATE COMMITTEES  
COMPLETION OF WORK SHEETS.

A - GENERAL

Inspectors for 1940 Corn Loan Program shall be appointed by the county committee, subject to the approval of the State committee. Qualifications in general shall require that the inspector be an actual farmer, cooperating in the agricultural conservation program and having a thorough knowledge of corn and its storage.

It is the duty of the inspector to make inspection of corn and storage structures as instructed by the State and county committees. A work sheet must be completed in detail and submitted to the county or State committee with a representative sample of corn from each crib. The county committee will furnish the inspectors with 39-Corn Loan 1, "Ear Corn Work Sheet," and for shelled corn 39-Corn Loan 1-S, for each crib or bin to be inspected and sampled.

B - WORK SHEET

Section I of the Work Sheet shall be completed in detail by the county committee at the time the producer makes application for a loan. The inspector shall complete section I by adding the seal number and rechecking each item to make sure it has been properly answered. This is important, as it is contemplated that the loan documents will be completed from the information contained in this work sheet.

Section II shall be completed by the county or State committee by entering the grade determined for the sample of corn submitted. When work sheet is submitted to State committee, the State committee shall sign and return one copy of the work sheet to the county committee, indicating whether such corn is eligible for a loan.

Section III shall be completed in detail by the inspector and rechecked by the State or county committees. Item 1 refers to the corn and a check mark should be used to indicate the desired information. Items 2, 3, and 5 pertain to the measurements of the corn which must be actual and not estimated. A steel tape should be used which indicates measurements in feet and tenths, rather than feet and inches. This will simplify computations and be more accurate. The corn should be leveled off to insure exact measurements. Do not measure short to take care of settling, husks, and other deductions, but allow for these on a percentage basis in Item 8. Correct measurements are necessary to aid in reinspection work or determination of insurable losses. Length and width of a crib should not vary on reinspection, the height of corn may be less due to settling. The multiplications required in Items 4 and 6 shall be calculated by the inspector and rechecked by the State and county committees. The following should be thoroughly understood:

The volume of corn in a rectangular crib is computed by multiplying the width by the length by the height, which gives the cubic foot.

The volume of corn in a round crib or bin is computed by multiplying 0.7854 (one-fourth of pi 3.1416) times the square of the inside diameter and multiplying the product by the average depth of the corn (Formula  $0.7854 \times D^2 \times H = \text{cubic feet}$ ). If the bin or crib has a round ventilator, the square of the outside diameter of the ventilator should be deducted from the square of the inside diameter of the crib or bin before multiplying. (Formula  $0.7854 \times (D^2 - d^2) \times H = \text{cubic feet}$ ), or the volume of the crib and ventilator may be computed separately using the first formula, then subtracting the volume of the ventilator from the volume of the crib.

Items 7 and 8 shall be used to compute the displacements of the actual corn. Allowances should also be made in these items for settling and test weight. Care should be taken to make the proper deductions in order that the corn will weigh out when shelled.

Item 9 shall be used to compute the net cubic feet.

Item 10 shall be used to convert the net cubic feet to bushels of ear corn by dividing the number of cubic feet by  $2\frac{1}{2}$ , or multiplying by 0.4 either of which will give the result in bushels. If shelled corn, multiply volume by 0.8 to give number of bushels.

Section IV shall be completed by the county or State committee, and rechecked by the county committee before making up the loan documents.

Item 11 shall be the number of bushels carried in Item 10 of section III and shall be entered only after the entire section III has been rechecked.



Items 12 and 13 shall be completed in accordance with the following table and instructions:

Loans will not be made on corn with a moisture content greater than 20-1/2 percent. For loans completed after March 1, 1941, see Part I, Item C, "Eligible Corn", for maximum moisture content.

In the case of corn offered for collateral with a moisture content between 15-1/2 and 20-1/2 percent, the loans will be made at the full rate per bushel but deductions will be made in the total volume of the corn to offset the shrinkage which will take place as the corn dries out. Deductions for moisture content will be made in accordance with the following schedule:

Moisture content:	Deduction
15.6 to 16.5 percent . . . . .	2 percent
16.6 to 17.5 percent . . . . .	4 percent
17.6 to 18.5 percent . . . . .	6 percent
18.6 to 19.5 percent . . . . .	8 percent
19.6 to 20.5 percent . . . . .	10 percent
above 20.5 percent . . . . .	No loan

For corn containing less than 15.6 percent moisture, items 12 and 13 will be left blank.

Item 14 -- Enter the net quantity of corn eligible for a loan.

Item 15 -- Enter the net number of dollars to be certified for a loan, which shall be computed by multiplying the net number of bushels in item 14 by the loan rate for the county in which the corn was produced. In case of mixed corn the rate that applies to such corn shall be used.

Item 16 -- This shall be initialed by the clerk making the above computations.

Remarks -- This space shall be used by the county or State committee with reference to any question or information regarding the grade of corn in section II or completion of work sheet by county committee or inspectors in section I, III, or V. Any items contained therein shall be checked by the county committee before certification of the loan.

Section V of the work sheet shall be completed by the inspector in detail. A check may be used to indicate the general information desired. The appropriate item must be checked to give the State and county committees a general picture of the condition of the storage structure. Inspectors are instructed to enter the applicable information while on the farm and supplement under "Remarks" any unusual condition or information not clearly covered. The county committees should return the work sheet to the inspector if full information is not furnished.

The inspector shall be guided by the following general instructions, with respect to making inspection of the storage structures and completing section V of the work sheet.

Item 17 -- Location of crib: Separate structures especially constructed for corn storage are most desirable. Such structures usually offer more protection from rodents, and ordinarily the fire hazard is not so great. A crib built within or attached to a building housing livestock will not be acceptable, unless such crib is separated from the livestock quarters by a solid wall and the crib itself has proper ventilation on both sides.

Cribs built as a part of machine sheds and other buildings which do not house livestock may be acceptable, provided both sides of crib are well ventilated. Extra precaution should be taken by the producer to protect the corn in such cribs from rodents.

If the crib is not a part of the farmstead group and is in an isolated location, extra precaution should be taken by the producer to prevent theft of the corn collateral. Cribs located on river or creek bottom land subject to overflow are not suitable storage structures and should not be sealed for loan purposes unless crib floors are above high-water level. Indicate what kind of structure, if any, the crib is located in, the number of feet the structure is from the nearest building, whether the storage structure is a part of the farmstead group, whether the land on which the structure is located is subject to overflow, and indicate exposure to winds.

Item 18 -- Structure: Cribs may be built of various materials, but must meet the following general requirements to be acceptable: (1) Hold the corn without loss of quantity; (2) protect the corn from rain, snow, and surface water; (3) provide reasonable protection from damage by mice, rats, and other animals; (4) provide reasonable protection against loss by fire or wind; (5) permit free ventilation through the side walls. Cribs which do not meet these requirements can often be made acceptable by repairing or rebuilding at a reasonable cost.

Item 19 -- Foundation: A good foundation is very essential to the life and usefulness of a crib. One of the most satisfactory types of foundation is a concrete wall extending below the frost line in the ground and above the ground level at least 18 inches. Concrete piers, stone walls, and stone piers may serve satisfactorily for small cribs but may settle unevenly when overloaded, thereby causing the building to break open and deteriorate rapidly. Wood sills and piers are frequently used for small cribs but are subject to rapid decay, and cribs with this type of foundation should not be sealed for a loan if the sills and piers are in a condition which would make the storage of corn hazardous. A continuous foundation wall supporting a wooden floor should have screened openings for ventilation.

Item 20 -- Floor: Solid concrete floors should extend at least 12 inches above the ground level. Low concrete floors are not desirable, in that they may become very wet and cause the corn in the bottom of the crib to spall. A concrete floor with shelling trench is more desirable than a solid concrete floor, since such floors must necessarily be 18 to 24 inches above the ground level and the plank-covered trench allows free circulation of air under and into the bottom of the crib.



Wood floors built on a proper foundation are ordinarily not constructed so tightly as to prevent ventilation in the bottom part of the crib, and this enables the corn in the lower part of the crib to dry out, whereas if it were not for this ventilation the corn might spoil. Such floors should be from 12 to 24 inches above the ground level. This affords protection against moisture and allows better ventilation under the crib. Any crib which is high enough above the ground so that cats and dogs can run underneath the floor will be relatively free from rodents.

Steel cribs are frequently constructed with metal floors. Such floors should be at least 8 inches above the ground. A good precaution before filling such crib with corn is to lay a board floor on the metal in order to prevent the corn in the bottom of the crib from spoiling.

Item 21 -- Walls: Crib walls must be strong enough and properly braced to withstand the outward and downward pressure of the corn. Studs should be securely attached to the floor and of such dimension and spacing as is necessary to withstand the pressure of stored corn. Horizontal beveled boards with 1-inch spacing are preferred for siding. Tight siding should extend down from the plate line one-fifth to one-third the height of the wall. When wire or slat cribbing is used crib boards or metal sheets extending upward 2 feet from the floor should be used to protect the corn from poultry and small livestock.

Item 22 -- Bracing: Proper bracing is one of the most important features of good crib construction. A great amount of material in braces is not necessary, but the proper choice and placing of this material and good fastenings are highly important. Cross ties of wire or steel rods are usually undesirable. Desirable types of crib bracings are described and illustrated in the bulletin, entitled "Corn Storage in the Ever Normal Granary."

Item 23 -- Roof: The inspector should see that the roof is tight, substantial, and well nailed. Roll roofing is subject to wind destruction and ordinarily not satisfactory as a covering for a permanent roof.

Item 24 -- Ventilation: Crib walls should be slatted or have ventilative openings on both sides upward from the floor line to permit cross ventilation. Small cribs should be slatted the full height except for 18 to 24 inches under the eaves. High cribs should be tight-sided downward one-fifth to one-third the distance from the upper plate line. Ventilators or flues may be necessary to accelerate drying of the corn.

Item 25 -- Sealing of crib: Cribs must be completely and securely enclosed so as to require a forceful breaking to make entry. The producer should be advised by the county committee at the time he makes application for a loan that he should be prepared to securely enclose the crib before the inspector places the seal on the crib and leaves the premises.

Item 26 -- Handling of corn: Proper consideration should be given to how the corn has been handled; this has a material affect on how the corn will keep and shell out. The inspector should ascertain the dates on which the corn was placed in the crib in order to more accurately estimate the proper deductions.

Section VI. The inspector shall give his recommendation, date, and sign the work sheet. State and county committees are instructed to return the work sheet to the inspector if above procedure is not followed. If the crib or bin is obviously not an acceptable storage structure, the inspector should so inform the producer, complete the work sheet, state reason for rejection under "Remarks", and return the work sheet to the county office. Do not send a sample or work sheet to the State office in case the inspector does not recommend that crib be accepted for a loan.

C - SEAL

The inspector shall place a seal (CL-1) on each crib inspected and sampled before leaving the premises if the corn and structure appear eligible for a loan. Each seal shall be numbered by the county office before distribution to the inspectors. The numbers shall be consecutive starting with 1 in each county and be prefixed by the numerals 40, for example, 40-1, 40-2. The inspector shall insert the seal number in the upper right-hand corner of the work sheet and shall also enter the seal number of other cribs sealed, which the producer desires placed under one note and mortgage.

To aid in reinspection work, the inspector should note on the seal "Inspected (date)" and initial. Subsequent inspections should likewise be shown on the seal by dates and initials of the inspectors.

D - TAKING OF REPRESENTATIVE SAMPLE

The taking of a representative sample is the most important part of the inspector's work. The county committee will supply the inspector with an approved ear-corn probe (or grain probe for shelled corn) for taking samples. The inspector should take corn samples from a number of different locations in the crib or bin. Several samples should be obtained from near the bottom of the crib where the early picked corn may be located. He should probe those spots where there may be damage due to accumulation of shelled corn or trash, as under the conveyor spout if the crib or bin were filled by an elevator.

The corn samples from each probe should be examined carefully. If the inspector finds that the corn is infested with insects, heating or otherwise obviously below the grade requirements, he shall withhold recommendation of the collateral for a loan, and immediately inform the producer.

If the corn appears to be eligible for a loan, the inspector should at once thoroughly blend the samples taken from the crib and a representative portion of this mixture immediately shall be placed in a moisture-proof container, supplied by the county committee. The work sheets should be inserted between the inner cellophane envelope containing the moisture sample and the Kraft envelope so that the forms will not absorb moisture from or impart moisture to the sample. Samples of corn must be mailed the same day they are obtained. Each inspector should provide a suitable measuring cup holding at least 1-1/8 pints of corn.



All samples should be checked as to the volume in order to provide a sufficient sample to make proper grade determination in the State or county office. Care should be taken by the inspector to insert the right work sheet with each sample of corn submitted.

E. TRANSFER FROM EAR TO SHELLLED CORN  
COLLATERAL.

After July 1, 1941, producers desiring to shell and store the corn that has been previously under loan as ear corn should notify the county committee who will in turn prepare 39-Corn Loan 1-S, as previously instructed, and notify the inspector to call at the farm to determine as to whether or not the amount of corn originally sealed is present and by sampling to determine the condition of the corn. A copy of the work sheet used in making the original loan should be furnished the inspector.

If the inspector finds the condition of the corn will make it eligible to seal as shelled corn, and determines that the quantity of corn is not less than that called for in the original chattel mortgage, he shall, provided the bin in which the corn is to be placed is eligible, authorize the producer to shell the corn and place it in the bin. After the corn is shelled and in the bin, the inspector should again visit the farm to inspect the storage structure, measure the corn, and chalk-mark the level of the corn in the bin. If, in the opinion of the inspector, the corn will meet the grade and moisture requirements, the right quantity is in the bins, and the storage structure is acceptable, he will seal the structure using the same seal number as that used in sealing the ear corn, complete the work sheet, and submit it to the county committee. A sample should be taken and submitted to the county committee by the inspector, if in his opinion the quantity is short or the quality is questionable.

Under "Remarks" on the work sheet, the inspector should write the following: "To the best of my judgment the amount of corn in the bin is the same as that previously put under loan showing the identical seal number," or if less bushels are contained in the bin or quality is questionable, he should explain in detail.

If, after checking measurements, the county committee determines there is a shortage, it should first be determined whether or not the shortage was due to an insurable cause. Corn Loan W should then be completed showing the settlement for the shortage, and submitted to the Special Representative of the Commodity Credit Corporation.

If the shortage is not accounted for and settled within a reasonable length of time, or the quality is not acceptable, the county committee shall recommend the loan to be called and proceed as instructed under "Called Loan Procedure."

When ear corn is transferred to shelled corn, the county committee shall correct its copy of the control card and send a report to the Commodity Credit Corporation giving producer's name, serial number, seal number, and number of bushels in order that the Corporation may correct its records.

The above procedure will also apply to all resealed ear corn under the 1940 Corn Loan Renewal Program and may be applied prior to July 1, 1941.

PART III. INSTRUCTIONS TO STATE AND COUNTY COMMITTEES  
FOR COMPLETING LOAN DOCUMENTS.

A list of the forms to be used for the 1940 corn loans is as follows:

1940 CCC Corn Form A - Corn Producer's Note.

1940 CCC Corn Form AA - Corn Chattel Mortgage.

1940 CCC Corn Form AB- Corn Loan Waiver.

1940 CCC Corn Form C - Lending Agency's Letter of Transmittal.

1940 CCC Corn Form D - Contract to Purchase. (Lending agency)

1940 CCC Corn Form E - Schedule of Repayments. (Lending agency)

1940 CCC Corn Control Card.

39- Corn Loan 1 - Ear Corn Work Sheet.

39-Corn Loan 1-S - Shelled Corn Work Sheet.

Corn Loan 4 (Revised November 1939) - Report of Loans Certified.

39-Corn Loan 6 - Transmittal of Fees to Commodity Credit Corporation.

CL-1 - Seal.

The county committees shall prepare all loan documents in the county office and transmit the following to an approved lending agency or direct to the Commodity Credit Corporation, Chicago, Illinois.

1940 - CCC Corn Form A--Note (original).

1940 - CCC Corn Control Card (to be attached to note for all direct loans,-submitted to CCC for all indirect loans).

Each set of loan documents should be checked carefully by the county committee before approval. No document containing additions, alterations, or erasures will be accepted.

CORN PRODUCER'S NOTE, CHATTEL MORTGAGE, AND CONTROL CARD.

The Work Sheet, 39-Corn Loan 1 and 1-S, has been designed so that if it is completely and properly filled out all the information necessary for preparation of the note and chattel mortgage will be contained thereon. All entries and computations on the work sheet should be checked for accuracy in the county office, after which the producer's note and chattel



mortgage should be completed (typed) with the exception of dates, ready for signature.

If the county committee has knowledge that the applicant is indebted to Commodity Credit Corporation for \$1.00 or more, in connection with any loan previously made, the amount of such indebtedness should either be collected from the applicant or entered in the space provided for disbursements on the note. The amount should be listed as payable to Commodity Credit Corporation in care of the county committee. On receipt of the check from the lending agency the county committee shall forward it to the proper Commodity Credit Corporation office with explanation as to the loan to which it applies. In the event the loan was made directly with Commodity Credit Corporation, proper identification should be on the note to enable the Corporation to apply the collection to the correct loan.

A. Corn Producer's Note. 1940 CCC Corn Form A, Corn Producer's Note, includes the letter of transmittal and certificate of the county committee and is printed in triplicate separately from the chattel mortgage. The original will be signed by the producer and certified by the county committee, and forwarded together with the first copy to the lending agency. The second copy shall be retained in the county association files.

Upon receipt of the first copy from the lending agency, showing date of disbursement of fees to the county association treasurer, the county association treasurer will then write or stamp the date the sealing fees were disbursed on the county office copy. A member of the county committee will then certify both copies, forward one to the borrower, and retain one in the county office to be filed with the borrower's loan documents.

The name of the State and county and the serial number of the loan must be typed in the spaces provided in the upper right-hand corner. The serial number of the note must include the State and county code numbers and correspond to the serial number on the chattel mortgage.

The amount of the loan in dollars must conform to the total amount entered in column (f) of section 1 of the chattel mortgage. If the loan is made directly with the Commodity Credit Corporation, "Commodity Credit Corporation" shall be typed in as payee. If a loan is made by an approved lending agency the name of the lending agency shall be designated as payee. The number of bushels entered should correspond to the total number of bushels in column (e), section 1 of the chattel mortgage.

Disbursements of funds should then be entered in the space provided above the signature of the maker in the following manner:

First line --- Name and address of the producer and amount payable to producer.

Second line -- Name and address of county association treasurer and amount of service fees payable to county association treasurer. (This amount should be checked to make sure one cent per bushel for net amount of bushels put under this loan has been charged.)

Other disbursements should follow on the third and fourth lines.

The signature of the producer must conform to his name as typed on the note and chattel mortgage. The note must also bear the signature of a witness and his address and be dated when signed by the producer. The date on the note should be identical with the date on the chattel mortgage except that a new mortgage may be dated subsequent to the note.

The certificate at the bottom of the note must be signed by a member of the county committee after the note and the chattel mortgage have been executed and reviewed for accuracy, and the chattel mortgage has been filed for record. The date of the certification must be the same or a date subsequent to the date on the note and mortgage. In no event shall the county committee certify a loan until the following loan documents are complete and properly signed:

1. Corn Producer's Note (1940 CCC Corn Form A)
2. Chattel Mortgage (1940 CCC Corn Form AA)
3. Certificate of Insurance

B. Chattel Mortgage. The Chattel Mortgage, Corn Form AA, is printed in triplicate and must be prepared in the county office. The original and duplicate copy of the chattel mortgage properly signed and acknowledged, shall be submitted to the proper county recording official in order that the receipt of county recording official may be executed on the copy to be retained by the county committee. The original or duplicate copy (as required by State law) will be placed on file with the county recording official. The copy showing the receipt of the county recording official will be placed on file in the county office with the producer's work sheet, certificate of insurance, and copy of the note.

Caption of chattel mortgage forms. The county committee shall type in the upper right-hand corner the State, county, and serial number. The entry shall be the name of the State and county in which the loan documents are prepared. The serial number must correspond to that appearing on the accompanying note. Type the producer's name and address, and the county and State indicated on this line must be the county and State in which the producer lives and may not always correspond to the name of the county appearing above. Enter the amount of loan, date of the note, and the name of the payee as it appears on the note.

Section 1 of chattel mortgage. Enter the legal description of the property on which the corn is stored. Only corn stored on one quarter section should be included in the same chattel mortgage.

Information for columns a, b, c, d, e, and f, is to be taken from the work sheet. List each seal number and applicable information on a separate line. The total of column (f) must be the same as the amount of dollars appearing on the note.

Section 2 of chattel mortgage sets forth the warranties made by the producer, which should be understood by the producer and those working with the loan program. In item (b) enter the county and State where the



corn was produced. In item (d) enter whether producer controls the storage structure as owner, landlord or tenant, and if tenant, enter the expiration date of lease. In item (e), where required by law, enter whether producer is married or single. Following item (g) enter the date on which the producer signs, which should not be prior to the date on the note. The signature of the producer must be in ink or indelible pencil and correspond to that appearing on the note. In States, where permitted by law, two witnesses may sign in lieu of acknowledgment in section 3. Witnesses will not be required when acknowledgment in section 3 is completed, (unless required by State law).

Section 3 of chattel mortgage is to be completed by a notary public when required by State law.

Section 4 of chattel mortgage provides for the listing of the names of lienholders, if any, including landlords and their waivers. The names and signatures in this section must be the same as on the recorded liens. If there are no lienholders insert the word "none." Separate waiver may be secured on 1940 CCC Corn Form AB, but all lienholders must be listed in section 11.

Prior to the preparation of the note and mortgage, the county committee shall have the list of lienholders supplied by the producer checked with the county records to be certain that all existing liens of record in force with respect to the corn are shown. It may be practical for the county committee to arrange with the county recording official for a lien abstract.

Section 5 of chattel mortgage, "Consent for Storage." When the borrower is a tenant the expiration date of the lease must be given in section 2 (d) of the chattel mortgage. If the expiration date of the lease is prior to October 15, 1943, the landlord shall execute the consent of storage. This section must also be signed by any other party or parties entitled to possession of the farm or storage structure prior to October 15, 1943.

Section 6, 7, 8, 9, 10, and 11 of chattel mortgage set forth agreements and conditions entered into by and between the producer and the Commodity Credit Corporation, and should be understood by the producer and those working with the loan program. If the producer elects to turn the corn over to the Commodity Credit Corporation in satisfaction of his loan, he must without cost to the Corporation, shell and deliver the mortgaged corn to a shipping point designated by the holder of the note, which shipping point is reasonably convenient to the producer.

Section 12 of chattel mortgage need only be completed in States where required by law.

Section 13 of chattel mortgage should be completed in all States and signed by a notary public.

Section 14 of chattel mortgage, "Certification of True Copy," must be executed on the duplicate copy.

Section 15 of chattel mortgage, "Receipt of County Recording Official," must be completed on the copy retained in the county office files.

C. Filing of Chattel Mortgage. It shall be the duty of the county committee to see that the original or duplicate copy of the chattel mortgage (as required by law) is placed on file with the proper county recording official. The original and duplicate copy of the chattel mortgage shall be submitted to the recording official with the request that he complete section 15 on the copy to be retained by the county committee.

D. Releasing of Chattel Mortgage on File. The county committee shall release the chattel mortgage of record for the Commodity Credit Corporation by filing an instrument of release or by a margin release in the county records, when the producer presents his note stamped or marked "Paid in Full", or when notified by the Commodity Credit Corporation that such note or loan has been fully satisfied.

In the event it is necessary to prepare a new chattel mortgage, the original mortgage should be released of record at the time the new mortgage is filed, provided that there are no intervening liens of record.

Counties in which the recording officials request written authority from the Commodity Credit Corporation to make releases should notify the Regional Director through their respective State offices.

Cost of filing, checking title, releasing chattel mortgage, and notarial fees in connection with corn loans shall be paid as an association expense.

E. Record of Loan Certification. A summary record of all corn loan certifications made by the county committee will be maintained on Corn Loan 4, Revised, November 1939, "County Committee Report of Corn Loans Certified."

Purpose. The purpose of this form is to maintain in the county, States, Chicago, and Washington offices a complete record of all corn loans certified by the county committee. Upon receipt of this form in the State office, it will be audited by the county association section to determine that the amount to be transmitted to the Commodity Credit Corporation, as shown on the related form ACP-9, is correct.

Preparation of form. One copy of Corn Loan 4 should be kept current from day to day as loans are approved, entering all items, including the amount of the service fees. This copy may be used as the county office file copy. Enter the date the fees are received, in the margin, opposite the amount of the service fee.

At the end of the month, three additional copies should be typed for corn loans certified during the month. In all cases a preliminary service fee will have been received prior to certification, but in many cases the balance of the service fee will be paid from the proceeds of the loan and will not be received until the last day



of the month in which the loan is certified. If the balance of the service fee is received during the month that the loan is certified, a check mark (✓) shall be entered in the margin opposite the fee to indicate that the total fee has been received.

The entry in line "Total for this month" for column (k) will be the total amount of fees actually received for loans certified during the current month. The original and two copies of the typed form, Corn Loan 4, shall be forwarded to the State Agricultural Conservation Office together with Form ACP-8 and related forms for the month. The State Office will retain the triplicate copy, forward the original to the office of the Regional Director, and the duplicate copy to the Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois.

Entries. Enter in the heading of Corn Loan 4, Revised, the State and county code number, the month and year which the report covers, and the State and county.

Column (a). Enter the serial number for each loan without the State and county code numbers.

Column (b). Enter the seal number for each crib on a separate line.

Column (c). Enter the date of loan which will be the date appearing on the note.

Column (d). Enter producer's name and address which will be the same as that appearing on the note.

Column (e). Enter D when loans are made direct with Commodity Credit Corporation. Enter I when loans are made through a local lending agency, indicating "Indirect" loans.

Column (f). Indicate the color of the corn, white, yellow, or mixed (W, Y, or M) offered as collateral for each seal number as shown on the chattel mortgage.

Column (g). Enter the number of bushels of corn offered as collateral for each seal number.

Column (h). Enter the loan rate at which the amount of the loan has been computed.

Column (i). Enter the total number of dollars computed for a loan with respect to each serial number.

Column (j). Enter the local market price of similar grade and class of corn as of the date of the loan.

Column (k). Enter on the copies of Corn Loan 4, Revised, submitted to the State office the amount of service fees actually collected. Make no entry in column (k) if the service fee has not been collected. The total of the entries in this column will represent service fees actually collected for the month and deposited in the association account by the treasurer.

Service fees not collected for loans certified during the month for which a report is made, but are collected during subsequent months, shall be recorded by the county committee on their copy of the previous report, by entering the date of such collections in the margin. The total amount of these subsequent collections shall be entered in the space provided at the bottom of the page of the current report, on line "Fees collected this month for loans previously reported." The total of column (k) as it appears in the last line will represent the total amount of collections made with respect to 1940 corn loans.

At the bottom of this report, complete the first line total for the month for all columns. Enter in the second line the service fees collected during the current month for loans previously reported. In the third line carry forward the totals reported for previous month or months. The last line shall be the cumulative total for the loaning period. This report shall be signed by the chairman of the county committee or secretary of the county association. The State committees are requested to return this form to the counties for correction if not properly completed.

Prior to the preparation of Corn Loan 4, Revised, for the current month, if any errors are discovered in previous reports, a Corn Loan 4, Revised (Correction Report) should be prepared. In the body of the Correction Report insert the caption "Canceled" and list data for loans listed in a previous report, which were not completed for any reason. Below this listing type a double line and enter caption "Correction." List all loan data correctly as they should have appeared in previous reports, and underline with red the item or items that were incorrectly listed. Correct the county copies of the previous reports and arrive at new corrected totals which will be entered on the respective lines of the Correction Report to show totals that should have appeared on the last report. "Total through date of this report," appearing on Correction Report, should be used in arriving at cumulative total for the current month.

Shelled corn loans that may be made after July 1, 1940, should be listed on a separate set of Corn Loan 4's, Revised, clearly marking the forms "Shelled Corn." Include the totals in the ear corn report so as to have only one cumulative summary.

F. State Office Summary of Loans Certified. The State office will maintain a file of forms Corn Loan 4, Revised, submitted to them by the county committees, and shall prepare a summary of the loan certifications, submitting a copy to the Regional Director and a copy to the Chicago Office of the Commodity Credit Corporation, not later than the fifteenth of the following month. A sample summary report is as follows:



1940 Corn Loan Summary for \_\_\_\_\_

(State)

Month of \_\_\_\_\_

County	No. of Loans Certified	Total Bu. of Shelled Corn	Total Bu. of Ear Corn	Amount of Loan	Service Fees Paid
	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:

G. Control Cards. At the time of preparation of the loan documents in the county office two copies of a control card (1940 CCC Control Card) should be prepared for each loan, giving all information available at this time.

Give all data for a single loan on the card so that the one card will serve as a record for the entire loan. If only one seal number is included in the loan, the seal number, bushels, etc., may be entered in the second line. If more than one seal number is covered by the loan, only the totals should be shown under "net bushels" and the amount and information in regard to the various seal numbers should be entered in the space provided above "Remarks." Care should be taken to enter the data exactly as they appear in the loan documents. The original copy of the control card shall be forwarded to the Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois, with the note, in case of direct loans. All control cards for loans made with other lending agencies will be mailed to the Chicago office by the end of each week. The duplicate copy will be retained in the county office. Information in regard to the loan should be entered under "Remarks" or on the reverse side of the control card.

H. Insurance. There are two types of insurance coverage in connection with the corn loan program. These coverages are referred to as primary and secondary insurance. The producer must obtain the primary insurance coverage on the corn and submit evidence of the same in the form of a complete certificate of insurance, substantially in form, as shown in 1940 CCC Corn Form 1. The secondary insurance is the blanket policy secured by the Commodity Credit Corporation to protect the borrower, the local lending agency, and the Corporation against errors or omissions in the primary insurance, such as failure of primary insurance company to pay loss or a loss on account of theft, conversion, and certain other risks not covered by the primary insurance carried by producers. The cost of secondary insurance will be paid by the Commodity Credit Corporation from that portion of the service fees which is transmitted to the Corporation by the county committee.

Each insurance representative desiring to sell primary insurance must furnish the county committee with his name and address, the name of the company he represents, the premium rate per hundred dollars, and

policy fee, if any. This information shall be listed by the county committee and be made available to each borrower. At the time the producer makes application for a loan, he shall designate the insurance representative from whom he desires to purchase his certificate, and such information shall be entered on the work sheet below the space "List of Lienholders." The county committee will notify the insurance agent selected by the producer, to prepare the insurance certificate for an amount not less than the face value of the note, plus interest to November 1, 1942. This insurance certificate must be attached to the copy of the chattel mortgage which is on file in the county office.

I. Transmittal of Corn Loan Service Fees to Commodity Credit Corporation.

The treasurer of the county association shall transmit, by check, each month, 25 percent of the service fee collections, through the State Office to the Commodity Credit Corporation, Washington, D. C.

The remainder of the service fees paid by applicants for loans shall be retained in the county for county administrative expenses.

Corn Loan-6, Transmittal Letter, shall be prepared in quadruplicate. The original and one copy shall be attached to the association check and transmitted through the State Office to the Corporation, with self-addressed, official penalty envelope. One copy of Corn Loan-6 shall be forwarded to the State Office for their files, and the remaining copy shall be retained in the county association files.

The Commodity Credit Corporation, upon receipt of the association check and two copies of Corn Loan-6, will receipt one copy and return it to the association treasurer, who will attach it to Form ACP-11, in lieu of Form ACP-12.

From the above-mentioned fund, the Commodity Credit Corporation will pay for the secondary insurance and the balance of the fund will be apportioned by the Agricultural Adjustment Administration to apply on the expense of making and supervising commodity loans.



40-Corn Loan 6 (Sample)

State \_\_\_\_\_

United States Department of Agriculture  
Agricultural Adjustment Administration

County \_\_\_\_\_

TRANSMITTAL OF SERVICE FEES

Commodity Credit Corporation,

Washington, D. C.

Gentlemen:          Attention: Mr. John B. Payne, Treasurer.

We enclose an association check in the amount of \$ \_\_\_\_\_,  
which represents 26% of the corn loan service fees collected during the  
month of \_\_\_\_\_, 19\_\_, in connection with the 1940  
Corn Loan Program.

The proceeds are to apply on the necessary expenses heretofore or  
hereafter incurred in connection with making and supervising Commodity  
Credit Corporation loans, also the purchase of secondary insurance.

Very truly yours,

\_\_\_\_\_  
County  
Agricultural Conservation Association,

\_\_\_\_\_, 19\_\_. By \_\_\_\_\_

Enclosure

\_\_\_\_\_  
(Title

-----  
Receipt of the above-stated amount is hereby acknowledged.

Commodity Credit Corporation,

\_\_\_\_\_, 19\_\_. By \_\_\_\_\_

(  
(Type in county office, submit original and one copy to Commodity Credit  
Corporation, Washington, D. C., with self-addressed official penalty  
envelope attached, and one copy to State committee)

JAN 30 1941

UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION  
WASHINGTON, D. C.

Instructions for State and County Committees for Determining  
Eligibility and Completing Documents for Loans on 1940 Corn.

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## Part I - General Instructions.

Loans will be made by Commodity Credit Corporation on ear and shelled corn produced in 1940 when stored on the farm and meeting the requirements hereinafter set forth.

State and county committees will be governed in the inspection and sealing of corn collateral for 1940 corn loans by Commodity Loan Regulations No. 1, as amended October 21, 1939, Regulations Governing Inspection and Sealing of Agricultural Commodities, on the Farm To Be Used as Collateral for Loans, and Completion of Loan Documents - Pursuant to the Provisions of the Agricultural Adjustment Act of 1938, as Amended, and 1940 CCC Corn Form 1 - Instructions.

### A - APPLICANTS.

Producers desiring loans on their 1940 corn should make application to the county committee of the county in which the corn is stored. The county committee should explain the program to the producer. If it appears that the producer and his corn are eligible for a loan, the county committee should prepare Section 1 of Work Sheet, 39 Corn Loan 1, and direct the corn loan inspector to call at the farm to inspect the corn and structure. A representative sample from each crib or bin and both copies of the work sheet shall be forwarded by the inspector for grade determination to the State office or county office as directed by the State committee; one copy showing the grade determination shall be returned to the county office by the State committee, or if grade determination made by county office, a completed copy forwarded to State committee. If the storage structure and corn are found to be eligible for a loan, the county committee shall prepare the loan documents and notify the applicant to call at the county office to sign the loan document and to complete the loan.

Producers transferring eligible corn to a county other than the one in which it was produced shall furnish the committee of the county where the corn is stored with a written certification as to his eligibility, the eligibility of such corn, the proper loan rate, and a list of existing liens, signed by a member of the committee of the county where the corn was produced. The loan rate of the county where the corn was produced shall prevail.

In States where the chattel mortgage must be filed in the county where the producer lives, the county committee may prepare loan documents in the county where the producer lives for corn stored in an adjoining county, provided the land upon which the corn is stored is considered part of the borrower's farming unit and is listed in the county in which the borrower lives under the Agricultural Conservation Program.

### B - ELIGIBLE PRODUCER

As defined in 1940 CCC Corn Form 1, an eligible producer in the commercial corn area shall be any person, partnership, association, or corporation producing corn as landowner, landlord, or tenant, upon whose



farm the 1940 field corn acreage planted did not exceed the corn acreage allotment established for the farm, pursuant to Title III of the Agricultural Adjustment Act of 1938, as amended, and in the noncommercial corn area, an eligible producer shall be any person, partnership, association, or corporation, producing corn as landowner, landlord, or tenant, upon whose farm the total 1940 acreage of soil-depleting crops did not exceed the total acreage allotment for soil-depleting crops established for the farm pursuant to the provisions of the 1940 Agricultural Conservation Program.

A producer shall be deemed eligible to apply for a corn loan if the farm for which he makes application has been measured and if the farm is eligible to participate in the 1940 farm programs as outlined in WR-408. A farm for the purpose of determining a producer's eligibility shall be the same as defined for the agricultural conservation program.

### C - ELIGIBLE CORN

For the purpose of 1940 corn loans, eligible corn is defined as merchantable field corn produced in 1940, husked and in the ear or shelled, stored in acceptable cribs or bins on the farm and grading No. 3 or better (except for moisture content and test weight) as defined in the Official Grain Standards of U. S. on the basis of a representative sample taken from each crib or bin offered as collateral for a loan, provided:

1. Beneficial interest to such corn is and always has been in the eligible producer or such corn was purchased from another eligible producer by an eligible producer who will operate a different farm in 1941 (or 1942) from that operated in 1940 (or 1941), and the total number of bushels thus purchased or placed under loan is not in excess of the number of bushels of eligible corn produced by the applicant as an eligible producer.
2. Ear corn accepted as collateral for loans between December 1, 1940, and February 28, 1941, inclusive, shall not have a moisture content in excess of 20-1/2 percent.
3. Ear corn accepted as collateral for loans between March 1, 1941, and April 30, 1941, inclusive, shall not have a moisture content in excess of 17-1/2 percent.
4. Ear corn accepted as collateral for loans between May 1, 1941, and September 30, 1941, inclusive, shall not have a moisture content in excess of 15-1/2 percent.
5. Shelled corn accepted as collateral for loans between July 1, 1941, and September 30, 1941, inclusive, shall not have a moisture content in excess of 13-1/2 percent. (Loans on shelled corn shall not be available prior to July 1, 1941).

In counties designated by the State committees and approved by the Regional Director as Angoumois moth infested areas, eligibility is confined to ear corn pledged for a loan between December 1, 1940, and February 28, 1941, inclusive, otherwise meeting the above requirements.

#### D - LOAN RATE

The loan rate on 1940 ear or shelled corn in farm storage will be 61 cents per bushel for eligible corn produced in the commercial corn area, and 46 cents per bushel for eligible corn produced in the non-commercial corn area, except that corn otherwise eligible grading MIXED in accordance with the United States Grain Standards shall have a loan rate of 2 cents per bushel less than the applicable rate stated above.

#### E.- DATES AVAILABLE, MATURITY OF LOAN AND INTEREST RATE.

Loans on eligible ear corn produced in 1940 are available to eligible producers from December 1, 1940, to September 30, 1941, inclusive. Loans on eligible shelled corn produced in 1940 are available to eligible producers from July 1, 1941, to September 30, 1941, inclusive. Except that loans will be available on eligible ear corn in counties designated as Angoumois moth infested areas from December 1, 1940 to February 28, 1941, inclusive.

All loans will bear 3 percent interest and mature August 1, 1943. However, loans may be satisfied prior to the date of maturity under any of the following conditions:

1. Payment by borrower of the face value of the note, plus interest.
2. Upon demand by Commodity Credit Corporation.
3. Delivery of corn collateral during August, September, and October, 1942, upon 30 days prior written notice to the county committee.
4. Delivery of the corn collateral during August, September, and October, 1941, upon 30 days prior written notice to county committee, applicable only as follows: Loans were completed prior to April 1, 1941, and the producer has lost possession of the farm on which the corn is stored or has received notice from his landlord, copy of which is filed with the county committee, requesting removal of the corn from the structures in which it is stored. Landlord and tenant signing a joint note will be governed by the above procedure and in the event the landlord requests the removal of the tenant's portion of the corn, such corn may be delivered and a new note made out on the balance of the corn in the name of the landlord.



## F - SERVICE FEE

The fee for inspecting corn and storage structures on the farm, sealing the structures, and completing and handling the loan documents, will be one cent per bushel, except that in the western region a minimum fee of \$3.00 will be collected. The applicant must pay to the county committee a preliminary fee of \$3.00 at the time he applies for a loan. The preliminary fee of \$3.00 shall be forfeited by the applicant if for any reason the loan is not completed.

This preliminary fee will be credited to the total fee, and the applicant will pay the balance when the county committee certifies the loan, either in cash or by naming the treasurer of the county association in that part of 1940 Corn Form A which shows disbursements to be made. The original and one copy of 1940 Corn Form A will be forwarded to the lending agency, who in turn will designate in the appropriate part of 1940 Corn Form A the date on which the disbursement is made to the treasurer of the county association, i.e., "Disbursed December 23, 1940." When the lending agency transmits this payment to the association treasurer, it will enclose a copy of 1940 Corn Loan A, showing disbursements made. The county committee will then check on Form Corn Loan 4, Revised, the amount and enter the date the sealing fee was received. The county committee will then fill out the receipt, Form CL-2, sending the original to the producer, transmitting a copy to the State Office with the monthly expense account, and retaining the third copy in the county association files.

Fees collected in connection with corn loans will be handled in the same manner as fees collected in connection with wheat and other loans.

Upon receipt from the State Committee of the approved ACP Form 9, upon which the amount of collections are included, the treasurer of the county association will transmit by check through the State Office to the Commodity Credit Corporation, Washington, D. C., an amount equivalent to 40 percent of the total fees collected, as shown on the approved ACP-9, for each month.

## G - ELIGIBLE STORAGE STRUCTURES AND ACCEPTABLE CRIB WIDTHS

Eligible storage structures shall consist of cribs or bins which are of such substantial and permanent construction as to afford safe storage of corn and afford protection against rodents, other animals, thieves, and weather, as determined by the county agricultural conservation committee, and approved by State committee.

The most important dimensions to be considered in the safe storage of corn is crib WIDTH.

State and county committees are hereby instructed to reject ear corn offered as collateral for a loan which is stored in a crib having a width greater than the recommended width for the county, unless the moisture content of the corn is at least 1 percent less than 20-1/2 percent for each foot or fraction thereof in excess of the recommended width. In the case of round cribs with center ventilator the distance from the ventilator to the outside wall shall constitute the width, and for round cribs without center ventilator the width shall be considered to be two-thirds of the diameter.

Illustration: If the recommended width of the cribs for the county is 7 feet and a crib containing corn offered as collateral is 10 feet wide, the corn will be rejected if it tests more than  $17\frac{1}{2}$  per-cent moisture.

NORTH CENTRAL REGION -- The crib widths for this region as recommended by the United States Department of Agriculture are as follows:

#### ILLINOIS

6-foot area.-- Lake and McHenry Counties.

7-foot area.-- Boone, Carroll, Cook, De Kalb, Du Page, Grundy, Iroquois, Jo Daviess, Kane, Kankakee, Kendall, La Salle, Lee, Ogle, Stephenson, Whiteside, Will, and Winnebago.

8-foot area.-- All other counties.

#### INDIANA

6-foot area.-- Allen, Elkhart, De Kalb, Kosciusko, La Porte, Lagrange, Marshall, Noble, Stark, Steuben, St. Joseph, and Whitley.

7-foot area.-- Adams, Benton, Blackford, Carroll, Cass, Clinton, Delaware, Fayette, Franklin, Fulton, Grant, Hamilton, Hancock, Henry, Howard, Huntington, Jasper, Jay, Lake, Madison, Miami, Newton, Porter, Pulaski, Randolph, Rush, Tippecanoe, Tipton, Union, Wabash, Wayne, Wells, and White.

8-foot area.-- All other counties.

#### IOWA

6-foot area.-- Allamakee, Clayton, Howard, Winneshiek.

7-foot area.-- Buchanan, Black Hawk, Bremer, Butler, Cerro Gordo, Chickasaw, Clinton, Delaware, Dickinson, Dubuque, Emmett, Fayette, Floyd, Franklin, Hancock, Jackson, Jones, Kossuth, Mitchell, Osceola, Winnebago, and Worth.

8-foot area.-- All counties not listed in other three areas.

9-foot area.-- Adams, Cass, Fremont, Harrison, Mills, Montgomery, Page, Pottawattamie, Shelby, and Taylor.

#### MICHIGAN

6-foot area.-- All counties.

#### MINNESOTA

6-foot area.-- All counties not in 7-foot area.



7-foot area.-- Brown, Blue Earth, Cottonwood, Faribault, Jackson, Lac qui Parle, Lincoln, Lyon, Martin, Murray, Nobles, Pipestone, Rock, Watonwan, Redwood, and Yellow Medicine.

#### MISSOURI

8-foot area.-- All counties except those in the 9-foot area.

9-foot area.-- Andrew, Atchison, Bates, Barton, Buchanan, Cass, Clay, Clinton, DeKalb, Gentry, Holt, Jackson, Jasper, McDonald, Newton, Nodaway, Platte, Vernon, and Worth.

#### NEBRASKA

8-foot area.-- Cedar, Dakota, Dixon, Thurston, and Wayne.

9-foot area.-- All counties not listed in the other two areas.

10-foot area.-- Adams, Buffalo, Clay, Chase, Custer, Dawson, Dundy, Fillmore, Franklin, Frontier, Furnas, Gosper, Hall, Hamilton, Harland, Hayes, Hitchcock, Howard, Jefferson, Kearney, Keith, Lincoln, Merrick, Nuckolls, Phelps, Perkins, Red Willow, Saline, Thayer, and Webster.

#### OHIO

6-foot area.-- Allen, Ashland, Ashtabula, Carroll, Columbiana, Coshocton, Cuyahoga, Crawford, Defiance, Erie, Fulton, Geauga, Hancock, Harding, Harrison, Henry, Holmes, Huron, Jefferson, Knox, Lake, Lorain, Lucas, Marion, Mahoning, Medina, Morrow, Paulding, Putnam, Portage, Ottawa, Richland, Sandusky, Stark, Seneca, Summit, Trumbull, Tuscarawas, Van Wert, Wayne, Williams, Wood, and Wyandot.

7-foot area.-- All other counties.

#### SOUTH DAKOTA

7-foot area.-- All counties not listed in the 8-foot area.

8-foot area.-- Bone Homme, Charles Mix, Clay, Douglas, Gregory, Hutchinson, Lincoln, Turner, Union, and Yankton.

#### WISCONSIN

6-foot area.-- All counties.

OTHER REGIONS.-- The recommended crib width shall not be in excess of the width considered practicable for safe storage in the county as determined by the State and county committees.

#### H - VERTICALLY VENTILATED STORAGE STRUCTURES

Corn stored in vertically ventilated, tight-walled storage structures will be acceptable for loans, provided;

1. The structure is a separate unit located where there is a free circulation of air from all directions.
2. It has a secondary slatted bottom at least 8 inches above the solid bottom which permits air to circulate upward through the corn.
3. The roof is equipped with an effective rotary or syphon ventilator, and the structure has an adequate air inlet under the grate floor which can be closed in bad weather.
4. The depth of corn in such a structure is no greater than the recommended crib width for the county in which the structure is located and the moisture content of the corn does not exceed 18-1/2 percent.
5. In case the depth of corn is greater than the recommended width for the county, the corn will be acceptable for loan provided the moisture content of the corn is one-half percent less than 18-1/2 percent for each additional foot in depth.

PART II. -- INSTRUCTIONS FOR INSPECTORS, COUNTY AND STATE COMMITTEES  
COMPLETION OF WORK SHEETS.

A - GENERAL

Inspectors for 1940 Corn Loan Program shall be appointed by the county committee, subject to the approval of the State committee. Qualifications in general shall require that the inspector be an actual farmer, cooperating in the agricultural conservation program and having a thorough knowledge of corn and its storage.

It is the duty of the inspector to make inspection of corn and storage structures as instructed by the State and county committees. A work sheet must be completed in detail and submitted to the county or State committee with a representative sample of corn from each crib. The county committee will furnish the inspectors with 39-Corn Loan 1, "Ear Corn Work Sheet," and for shelled corn 39-Corn Loan 1-S, for each crib or bin to be inspected and sampled.

B - WORK SHEET

Section I of the Work Sheet shall be completed in detail by the county committee at the time the producer makes application for a loan. The inspector shall complete section I by adding the seal number and rechecking each item to make sure it has been properly answered. This is important, as it is contemplated that the loan documents will be completed from the information contained in this work sheet. The space



Section II shall be completed by the county or State committee by entering the grade determined for the sample of corn submitted. When work sheet is submitted to State committee, the State committee shall sign and return one copy of the work sheet to the county committee, indicating whether such corn is eligible for a loan.

Section III shall be completed in detail by the inspector and rechecked by the State or county committees. Item 1 refers to the corn and a check mark should be used to indicate the desired information. Items 2, 3, and 5 pertain to the measurements of the corn which must be actual and not estimated. A steel tape should be used which indicates measurements in feet and tenths, rather than feet and inches. This will simplify computations and be more accurate. The corn should be leveled off to insure exact measurements. Do not measure short to take care of settling, husks, and other deductions, but allow for these on a percentage basis in Item 8. Correct measurements are necessary to aid in reinspection work or determination of insurable losses. Length and width of a crib should not vary on reinspection, the height of corn may be less due to settling. The multiplications required in Items 4 and 6 shall be calculated by the inspector and rechecked by the State and county committees. The following should be thoroughly understood:

The volume of corn in a rectangular crib is computed by multiplying the width by the length by the height, which gives the cubic foot.

The volume of corn in a round crib or bin is computed by multiplying 0.7854 (one-fourth of pi 3.1416) times the square of the inside diameter and multiplying the product by the average depth of the corn (Formula  $0.7854 \times D^2 \times H = \text{cubic feet}$ ). If the bin or crib has a round ventilator, the square of the outside diameter of the ventilator should be deducted from the square of the inside diameter of the crib or bin before multiplying. (Formula  $0.7854 \times (D^2 - d^2) \times H = \text{cubic feet}$ ), or the volume of the crib and ventilator may be computed separately using the first formula, then subtracting the volume of the ventilator from the volume of the crib.

Items 7 and 8 shall be used to compute the displacements of the actual corn. Allowances should also be made in these items for settling and test weight. Care should be taken to make the proper deductions in order that the corn will weigh out when shelled.

Item 9 shall be used to compute the net cubic feet.

Item 10 shall be used to convert the net cubic feet to bushels of ear corn by dividing the number of cubic feet by  $2\frac{1}{2}$ , or multiplying by 0.4 either of which will give the result in bushels. If shelled corn, multiply volume by 0.8 to give number of bushels.

Section IV shall be completed by the county or State committee, and rechecked by the county committee before making up the loan documents.

Item 11 shall be the number of bushels carried in Item 10 of section III and shall be entered only after the entire section III has been rechecked.

Items 12 and 13 shall be completed in accordance with the following table and instructions:

Loans will not be made on corn with a moisture content greater than 20-1/2 percent. For loans completed after March 1, 1941, see Part I, Item C, "Eligible Corn", for maximum moisture content.

In the case of corn offered for collateral with a moisture content between 15-1/2 and 20-1/2 percent, the loans will be made at the full rate per bushel but deductions will be made in the total volume of the corn to offset the shrinkage which will take place as the corn dries out. Deductions for moisture content will be made in accordance with the following schedule:

Moisture content:	Deduction
15.6 to 16.5 percent . . . . .	2 percent
16.6 to 17.5 percent . . . . .	4 percent
17.6 to 18.5 percent . . . . .	6 percent
18.6 to 19.5 percent . . . . .	8 percent
19.6 to 20.5 percent . . . . .	10 percent
above 20.5 percent . . . . .	No loan

For corn containing less than 15.6 percent moisture, items 12 and 13 will be left blank.

Item 14 -- Enter the net quantity of corn eligible for a loan.

Item 15 -- Enter the net number of dollars to be certified for a loan, which shall be computed by multiplying the net number of bushels in item 14 by the loan rate for the county in which the corn was produced. In case of mixed corn the rate that applies to such corn shall be used.

Item 16 -- This shall be initialed by the clerk making the above computations.

Remarks -- This space shall be used by the county or State committee with reference to any question or information regarding the grade of corn in section II or completion of work sheet by county committee or inspectors in section I, III, or V. Any items contained therein shall be checked by the county committee before certification of the loan.

Section V of the work sheet shall be completed by the inspector in detail. A check may be used to indicate the general information desired. The appropriate item must be checked to give the State and county committees a general picture of the condition of the storage structure. Inspectors are instructed to enter the applicable information while on the farm and supplement under "Remarks" any unusual condition or information not clearly covered. The county committees should return the work sheet to the inspector if full information is not furnished.

The inspector shall be guided by the following general instructions, with respect to making inspection of the storage structures and completing section V of the work sheet.



Item 17 -- Location of crib: Separate structures especially constructed for corn storage are most desirable. Such structures usually offer more protection from rodents, and ordinarily the fire hazard is not so great. A crib built within or attached to a building housing livestock will not be acceptable, unless such crib is separated from the livestock quarters by a solid wall and the crib itself has proper ventilation on both sides.

Cribs built as a part of machine sheds and other buildings which do not house livestock may be acceptable, provided both sides of crib are well ventilated. Extra precaution should be taken by the producer to protect the corn in such cribs from rodents.

If the crib is not a part of the farmstead group and is in an isolated location, extra precaution should be taken by the producer to prevent theft of the corn collateral. Cribs located on river or creek bottom land subject to overflow are not suitable storage structures and should not be sealed for loan purposes unless crib floors are above high-water level. Indicate what kind of structure, if any, the crib is located in, the number of feet the structure is from the nearest building, whether the storage structure is a part of the farmstead group, whether the land on which the structure is located is subject to overflow, and indicate exposure to winds.

Item 18 -- Structure: Cribs may be built of various materials, but must meet the following general requirements to be acceptable: (1) Hold the corn without loss of quantity; (2) protect the corn from rain, snow, and surface water; (3) provide reasonable protection from damage by mice, rats, and other animals; (4) provide reasonable protection against loss by fire or wind; (5) permit free ventilation through the side walls. Cribs which do not meet these requirements can often be made acceptable by repairing or rebuilding at a reasonable cost.

Item 19 -- Foundation: A good foundation is very essential to the life and usefulness of a crib. One of the most satisfactory types of foundation is a concrete wall extending below the frost line in the ground and above the ground level at least 18 inches. Concrete piers, stone walls, and stone piers may serve satisfactorily for small cribs but may settle unevenly when overloaded, thereby causing the building to break open and deteriorate rapidly. Wood sills and piers are frequently used for small cribs but are subject to rapid decay, and cribs with this type of foundation should not be sealed for a loan if the sills and piers are in a condition which would make the storage of corn hazardous. A continuous foundation wall supporting a wooden floor should have screened openings for ventilation.

Item 20 -- Floor: Solid concrete floors should extend at least 12 inches above the ground level. Low concrete floors are not desirable, in that they may become very wet and cause the corn in the bottom of the crib to spoil. A concrete floor with shelling trench is more desirable than a solid concrete floor, since such floors must necessarily be 18 to 24 inches above the ground level and the plank-covered trench allows free circulation of air under and into the bottom of the crib.

Wood floors built on a proper foundation are ordinarily not constructed so tightly as to prevent ventilation in the bottom part of the crib, and this enables the corn in the lower part of the crib to dry out, whereas if it were not for this ventilation the corn might spoil. Such floors should be from 12 to 24 inches above the ground level. This affords protection against moisture and allows better ventilation under the crib. Any crib which is high enough above the ground so that cats and dogs can run underneath the floor will be relatively free from rodents.

Steel cribs are frequently constructed with metal floors. Such floors should be at least 8 inches above the ground. A good precaution before filling such crib with corn is to lay a board floor on the metal in order to prevent the corn in the bottom of the crib from spoiling.

Item 21 -- Walls: Crib walls must be strong enough and properly braced to withstand the outward and downward pressure of the corn. Studs should be securely attached to the floor and of such dimension and spacing as is necessary to withstand the pressure of stored corn. Horizontal beveled boards with 1-inch spacing are preferred for siding. Tight siding should extend down from the plate line one-fifth to one-third the height of the wall. When wire or slat cribbing is used crib boards or metal sheets extending upward 2 feet from the floor should be used to protect the corn from poultry and small livestock.

Item 22 -- Bracing: Proper bracing is one of the most important features of good crib construction. A great amount of material in braces is not necessary, but the proper choice and placing of this material and good fastenings are highly important. Cross ties of wire or steel rods are usually undesirable. Desirable types of crib bracings are described and illustrated in the bulletin, entitled "Corn Storage in the Ever Normal Granary."

Item 23 -- Roof: The inspector should see that the roof is tight, substantial, and well nailed. Roll roofing is subject to wind destruction and ordinarily not satisfactory as a covering for a permanent roof.

Item 24 -- Ventilation: Crib walls should be slatted or have ventilative openings on both sides upward from the floor line to permit cross ventilation. Small cribs should be slatted the full height except for 18 to 24 inches under the eaves. High cribs should be tight-sided downward one-fifth to one-third the distance from the upper plate line. Ventilators or flues may be necessary to accelerate drying of the corn.

Item 25 -- Sealing of crib: Cribs must be completely and securely enclosed so as to require a forceful breaking to make entry. The producer should be advised by the county committee at the time he makes application for a loan that he should be prepared to securely enclose the crib before the inspector places the seal on the crib and leaves the premises.

Item 26 -- Handling of corn: Proper consideration should be given to how the corn has been handled; this has a material affect on how the corn will keep and shell out. The inspector should ascertain the dates on which the corn was placed in the crib in order to more accurately estimate the proper deductions.



Section VI. The inspector shall give his recommendation, date, and sign the work sheet. State and county committees are instructed to return the work sheet to the inspector if above procedure is not followed. If the crib or bin is obviously not an acceptable storage structure, the inspector should so inform the producer, complete the work sheet, state reason for rejection under "Remarks", and return the work sheet to the county office. Do not send a sample or work sheet to the State office in case the inspector does not recommend that crib be accepted for a loan.

#### C - SEAL

The inspector shall place a seal (CL-1) on each crib inspected and sampled before leaving the premises if the corn and structure appear eligible for a loan. Each seal shall be numbered by the county office before distribution to the inspectors. The numbers shall be consecutive starting with 1 in each county and be prefixed by the numerals 40, for example, 40-1, 40-2. The inspector shall insert the seal number in the upper right-hand corner of the work sheet and shall also enter the seal number of other cribs sealed, which the producer desires placed under one note and mortgage.

To aid in reinspection work, the inspector should note on the seal "Inspected (date)" and initial. Subsequent inspections should likewise be shown on the seal by dates and initials of the inspectors.

#### D - TAKING OF REPRESENTATIVE SAMPLE

The taking of a representative sample is the most important part of the inspector's work. The county committee will supply the inspector with an approved ear-corn probe (or grain probe for shelled corn) for taking samples. The inspector should take corn samples from a number of different locations in the crib or bin. Several samples should be obtained from near the bottom of the crib where the early picked corn may be located. He should probe those spots where there may be damage due to accumulation of shelled corn or trash, as under the conveyor spout if the crib or bin were filled by an elevator.

The corn samples from each probe should be examined carefully. If the inspector finds that the corn is infested with insects, heating or otherwise obviously below the grade requirements, he shall withhold recommendation of the collateral for a loan, and immediately inform the producer.

If the corn appears to be eligible for a loan, the inspector should at once thoroughly blend the samples taken from the crib and a representative portion of this mixture immediately shall be placed in a moisture-proof container, supplied by the county committee. The work sheets should be inserted between the inner cellophane envelope containing the moisture sample and the Kraft envelope so that the forms will not absorb moisture from or impart moisture to the sample. Samples of corn must be mailed the same day they are obtained. Each inspector should provide a suitable measuring cup holding at least 1-1/8 pints of corn.

All samples should be checked as to the volume in order to provide a sufficient sample to make proper grade determination in the State or county office. Care should be taken by the inspector to insert the right work sheet with each sample of corn submitted.

E. TRANSFER FROM EAR TO SHELLED CORN  
COLLATERAL.

After July 1, 1941, producers desiring to shell and store the corn that has been previously under loan as ear corn should notify the county committee who will in turn prepare 39-Corn Loan 1-S, as previously instructed, and notify the inspector to call at the farm to determine as to whether or not the amount of corn originally sealed is present and by sampling to determine the condition of the corn. A copy of the work sheet used in making the original loan should be furnished the inspector.

If the inspector finds the condition of the corn will make it eligible to seal as shelled corn, and determines that the quantity of corn is not less than that called for in the original chattel mortgage, he shall, provided the bin in which the corn is to be placed is eligible, authorize the producer to shell the corn and place it in the bin. After the corn is shelled and in the bin, the inspector should again visit the farm to inspect the storage structure, measure the corn, and chalk-mark the level of the corn in the bin. If, in the opinion of the inspector, the corn will meet the grade and moisture requirements, the right quantity is in the bins, and the storage structure is acceptable, he will seal the structure using the same seal number as that used in sealing the ear corn, complete the work sheet, and submit it to the county committee. A sample should be taken and submitted to the county committee by the inspector, if in his opinion the quantity is short or the quality is questionable.

Under "Remarks" on the work sheet, the inspector should write the following: "To the best of my judgment the amount of corn in the bin is the same as that previously put under loan showing the identical seal number," or if less bushels are contained in the bin or quality is questionable, he should explain in detail.

If, after checking measurements, the county committee determines there is a shortage, it should first be determined whether or not the shortage was due to an insurable cause. Corn Loan W should then be completed showing the settlement for the shortage, and submitted to the Special Representative of the Commodity Credit Corporation.

If the shortage is not accounted for and settled within a reasonable length of time, or the quality is not acceptable, the county committee shall recommend the loan to be called and proceed as instructed under "Called Loan Procedure."

When ear corn is transferred to shelled corn, the county committee shall correct its copy of the control card and send a report to the Commodity Credit Corporation giving producer's name, serial number, seal number, and number of bushels in order that the Corporation may correct its records



The above procedure will also apply to all resealed ear corn under the 1940 Corn Loan Renewal Program and may be applied prior to July 1, 1941.

PART III. INSTRUCTIONS TO STATE AND COUNTY COMMITTEES  
FOR COMPLETING LOAN DOCUMENTS.

A list of the forms to be used for the 1940 corn loans is as follows:

1940 CCC Corn Form A - Corn Producer's Note.

1940 CCC Corn Form AA - Corn Chattel Mortgage.

1940 CCC Corn Form AB- Corn Loan Waiver.

1940 CCC Corn Form C - Lending Agency's Letter of Transmittal.

1940 CCC Corn Form D - Contract to Purchase. (Lending agency)

1940 CCC Corn Form E - Schedule of Repayments. (Lending agency)

1940 CCC Corn Control Card.

39- Corn Loan 1 - Ear Corn Work Sheet.

39-Corn Loan 1-S - Shelled Corn Work Sheet.

Corn Loan 4 (Revised November 1939) - Report of Loans Certified.

39-Corn Loan 6 - Transmittal of Fees to Commodity Credit Corporation.

CL-1 - Seal.

The county committees shall prepare all loan documents in the county office and transmit the following to an approved lending agency or direct to the Commodity Credit Corporation, Chicago, Illinois.

1940 - CCC Corn Form A--Note (original).

1940 - CCC Corn Control Card (to be attached to note for all direct loans,-submitted to CCC for all indirect loans).

Each set of loan documents should be checked carefully by the county committee before approval. No document containing additions, alterations, or erasures will be accepted.

CORN PRODUCER'S NOTE, CHATTEL MORTGAGE, AND CONTROL CARD.

The Work Sheet, 39-Corn Loan 1 and 1-S, has been designed so that if it is completely and properly filled out all the information necessary for preparation of the note and chattel mortgage will be contained thereon. All entries and computations on the work sheet should be checked for accuracy in the county office, after which the producer's note and chattel

mortgage should be completed (typed) with the exception of dates, ready for signature.

If the county committee has knowledge that the applicant is indebted to Commodity Credit Corporation for \$1.00 or more, in connection with any loan previously made, the amount of such indebtedness should either be collected from the applicant or entered in the space provided for disbursements on the note. The amount should be listed as payable to Commodity Credit Corporation in care of the county committee. On receipt of the check from the lending agency the county committee shall forward it to the proper Commodity Credit Corporation office with explanation as to the loan to which it applies. In the event the loan was made directly with Commodity Credit Corporation, proper identification should be on the note to enable the Corporation to apply the collection to the correct loan.

A. Corn Producer's Note. 1940 CCC Corn Form A, Corn Producer's Note, includes the letter of transmittal and certificate of the county committee and is printed in triplicate separately from the chattel mortgage. The original will be signed by the producer and certified by the county committee, and forwarded together with the first copy to the lending agency. The second copy shall be retained in the county association files.

Upon receipt of the first copy from the lending agency, showing date of disbursement of fees to the county association treasurer, the county association treasurer will then write or stamp the date the sealing fees were disbursed on the county office copy. A member of the county committee will then certify both copies, forward one to the borrower, and retain one in the county office to be filed with the borrower's loan documents.

The name of the State and county and the serial number of the loan must be typed in the spaces provided in the upper right-hand corner. The serial number of the note must include the State and county code numbers and correspond to the serial number on the chattel mortgage.

The amount of the loan in dollars must conform to the total amount entered in column (f) of section 1 of the chattel mortgage. If the loan is made directly with the Commodity Credit Corporation, "Commodity Credit Corporation" shall be typed in as payee. If a loan is made by an approved lending agency the name of the lending agency shall be designated as payee. The number of bushels entered should correspond to the total number of bushels in column (e), section 1 of the chattel mortgage.

Disbursements of funds should then be entered in the space provided above the signature of the maker in the following manner:

First line --- Name and address of the producer and amount payable to producer.

Second line -- Name and address of county association treasurer and amount of service fees payable to county association treasurer. (This amount should be checked to make sure one cent per bushel for net amount of bushels put under this loan has been charged.)

Other disbursements should follow on the third and fourth lines.



The signature of the producer must conform to his name as typed on the note and chattel mortgage. The note must also bear the signature of a witness and his address and be dated when signed by the producer. The date on the note should be identical with the date on the chattel mortgage except that a new mortgage may be dated subsequent to the note.

The certificate at the bottom of the note must be signed by a member of the county committee after the note and the chattel mortgage have been executed and reviewed for accuracy, and the chattel mortgage has been filed for record. The date of the certification must be the same or a date subsequent to the date on the note and mortgage. In no event shall the county committee certify a loan until the following loan documents are complete and properly signed:

1. Corn Producer's Note (1940 CCC Corn Form A)
2. Chattel Mortgage (1940 CCC Corn Form AA)
3. Certificate of Insurance

B. Chattel Mortgage. The Chattel Mortgage, Corn Form AA, is printed in triplicate and must be prepared in the county office. The original and duplicate copy of the chattel mortgage properly signed and acknowledged, shall be submitted to the proper county recording official in order that the receipt of county recording official may be executed on the copy to be retained by the county committee. The original or duplicate copy (as required by State law) will be placed on file with the county recording official. The copy showing the receipt of the county recording official will be placed on file in the county office with the producer's work sheet, certificate of insurance, and copy of the note.

Caption of chattel mortgage forms. The county committee shall type in the upper right-hand corner the State, county, and serial number. The entry shall be the name of the State and county in which the loan documents are prepared. The serial number must correspond to that appearing on the accompanying note. Type the producer's name and address, and the county and State indicated on this line must be the county and State in which the producer lives and may not always correspond to the name of the county appearing above. Enter the amount of loan, date of the note, and the name of the payee as it appears on the note.

Section 1 of chattel mortgage. Enter the legal description of the property on which the corn is stored. Only corn stored on one quarter section should be included in the same chattel mortgage.

Information for columns a, b, c, d, e, and f, is to be taken from the work sheet. List each seal number and applicable information on a separate line. The total of column (f) must be the same as the amount of dollars appearing on the note.

Section 2 of chattel mortgage sets forth the warranties made by the producer, which should be understood by the producer and those working with the loan program. In item (b) enter the county and State where the

corn was produced. In item (d) enter whether producer controls the storage structure as owner, landlord or tenant, and if tenant, enter the expiration date of lease. In item (e), where required by law, enter whether producer is married or single. Following item (g) enter the date on which the producer signs, which should not be prior to the date on the note. The signature of the producer must be in ink or indelible pencil and correspond to that appearing on the note. In States, where permitted by law, two witnesses may sign in lieu of acknowledgment in section 3. Witnesses will not be required when acknowledgment in section 3 is completed, (unless required by State law).

Section 3 of chattel mortgage is to be completed by a notary public when required by State law.

Section 4 of chattel mortgage provides for the listing of the names of lienholders, if any, including landlords and their waivers. The names and signatures in this section must be the same as on the recorded liens. If there are no lienholders insert the word "none." Separate waiver may be secured on 1940 CCC Corn Form AB, but all lienholders must be listed in section 11.

Prior to the preparation of the note and mortgage, the county committee shall have the list of lienholders supplied by the producer checked with the county records to be certain that all existing liens of record in force with respect to the corn are shown. It may be practical for the county committee to arrange with the county recording official for a lien abstract.

Section 5 of chattel mortgage, "Consent for Storage." When the borrower is a tenant the expiration date of the lease must be given in section 2 (d) of the chattel mortgage. If the expiration date of the lease is prior to October 15, 1943, the landlord shall execute the consent of storage. This section must also be signed by any other party or parties entitled to possession of the farm or storage structure prior to October 15, 1943.

Section 6, 7, 8, 9, 10, and 11 of chattel mortgage set forth agreements and conditions entered into by and between the producer and the Commodity Credit Corporation, and should be understood by the producer and those working with the loan program. If the producer elects to turn the corn over to the Commodity Credit Corporation in satisfaction of his loan, he must without cost to the Corporation, shell and deliver the mortgaged corn to a shipping point designated by the holder of the note, which shipping point is reasonably convenient to the producer.

Section 12 of chattel mortgage need only be completed in States where required by law.

Section 13 of chattel mortgage should be completed in all States and signed by a notary public.

Section 14 of chattel mortgage, "Certification of True Copy," must be executed on the duplicate copy.



Section 15 of chattel mortgage, "Receipt of County Recording Official," must be completed on the copy retained in the county office files.

C. Filing of Chattel Mortgage. It shall be the duty of the county committee to see that the original or duplicate copy of the chattel mortgage (as required by law) is placed on file with the proper county recording official. The original and duplicate copy of the chattel mortgage shall be submitted to the recording official with the request that he complete section 15 on the copy to be retained by the county committee.

D. Releasing of Chattel Mortgage on File. The county committee shall release the chattel mortgage of record for the Commodity Credit Corporation by filing an instrument of release or by a margin release in the county records, when the producer presents his note stamped or marked "Paid in Full", or when notified by the Commodity Credit Corporation that such note or loan has been fully satisfied.

In the event it is necessary to prepare a new chattel mortgage, the original mortgage should be released of record at the time the new mortgage is filed, provided that there are no intervening liens of record.

Counties in which the recording officials request written authority from the Commodity Credit Corporation to make releases should notify the Regional Director through their respective State offices.

Cost of filing, checking title, releasing chattel mortgage, and notarial fees in connection with corn loans shall be paid as an association expense.

E. Record of Loan Certification. A summary record of all corn loan certifications made by the county committee will be maintained on Corn Loan 4, Revised, November 1939, "County Committee Report of Corn Loans Certified."

Purpose. The purpose of this form is to maintain in the county, States, Chicago, and Washington offices a complete record of all corn loans certified by the county committee. Upon receipt of this form in the State office, it will be audited by the county association section to determine that the amount to be transmitted to the Commodity Credit Corporation, as shown on the related form ACP-9, is correct.

Preparation of form. One copy of Corn Loan 4 should be kept current from day to day as loans are approved, entering all items, including the amount of the service fees. This copy may be used as the county office file copy. Enter the date the fees are received, in the margin, opposite the amount of the service fee.

At the end of the month, three additional copies should be typed for corn loans certified during the month. In all cases a preliminary service fee will have been received prior to certification, but in many cases the balance of the service fee will be paid from the proceeds of the loan and will not be received until the last day.

of the month in which the loan is certified. If the balance of the service fee is received during the month that the loan is certified, a check mark (✓) shall be entered in the margin opposite the fee to indicate that the total fee has been received.

The entry in line "Total for this month" for column (k) will be the total amount of fees actually received for loans certified during the current month. The original and two copies of the typed form, Corn Loan 4, shall be forwarded to the State Agricultural Conservation Office together with Form ACP-3 and related forms for the month. The State Office will retain the triplicate copy, forward the original to the office of the Regional Director, and the duplicate copy to the Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois.

Entries. Enter in the heading of Corn Loan 4, Revised, the State and county code number, the month and year which the report covers, and the State and county.

Column (a). Enter the serial number for each loan without the State and county code numbers.

Column (b). Enter the seal number for each crib on a separate line.

Column (c). Enter the date of loan which will be the date appearing on the note.

Column (d). Enter producer's name and address which will be the same as that appearing on the note.

Column (e). Enter D when loans are made direct with Commodity Credit Corporation. Enter I when loans are made through a local lending agency, indicating "Indirect" loans.

Column (f). Indicate the color of the corn, white, yellow, or mixed (W, Y, or M) offered as collateral for each seal number as shown on the chattel mortgage.

Column (g). Enter the number of bushels of corn offered as collateral for each seal number.

Column (h). Enter the loan rate at which the amount of the loan has been computed.

Column (i). Enter the total number of dollars computed for a loan with respect to each serial number.

Column (j). Enter the local market price of similar grade and class of corn as of the date of the loan.



Column (k). Enter on the copies of Corn Loan 4, Revised, submitted to the State office the amount of service fees actually collected. Make no entry in column (k) if the service fee has not been collected. The total of the entries in this column will represent service fees actually collected for the month and deposited in the association account by the treasurer.

Service fees not collected for loans certified during the month for which a report is made, but are collected during subsequent months, shall be recorded by the county committee on their copy of the previous report, by entering the date of such collections in the margin. The total amount of these subsequent collections shall be entered in the space provided at the bottom of the page of the current report, on line "Fees collected this month for loans previously reported." The total of column (k) as it appears in the last line will represent the total amount of collections made with respect to 1940 corn loans.

At the bottom of this report, complete the first line total for the month for all columns. Enter in the second line the service fees collected during the current month for loans previously reported. In the third line carry forward the totals reported for previous month or months. The last line shall be the cumulative total for the loaning period. This report shall be signed by the chairman of the county committee or secretary of the county association. The State committees are requested to return this form to the counties for correction if not properly completed.

Prior to the preparation of Corn Loan 4, Revised, for the current month, if any errors are discovered in previous reports, a Corn Loan 4, Revised (Correction Report) should be prepared. In the body of the Correction Report insert the caption "Canceled" and list data for loans listed in a previous report, which were not completed for any reason. Below this listing type a double line and enter caption "Correction." List all loan data correctly as they should have appeared in previous reports, and underline with red the item or items that were incorrectly listed. Correct the county copies of the previous reports and arrive at new corrected totals which will be entered on the respective lines of the Correction Report to show totals that should have appeared on the last report. "Total through date of this report," appearing on Correction Report, should be used in arriving at cumulative total for the current month.

Shelled corn loans that may be made after July 1, 1940, should be listed on a separate set of Corn Loan 4's, Revised, clearly marking the forms "Shelled Corn." Include the totals in the ear corn report so as to have only one cumulative summary.

F. State Office Summary of Loans Certified. The State office will maintain a file of forms Corn Loan 4, Revised, submitted to them by the county committees, and shall prepare a summary of the loan certifications, submitting a copy to the Regional Director and a copy to the Chicago Office of the Commodity Credit Corporation, not later than the fifteenth of the following month. A sample summary report is as follows:

1940 Corn Loan Summary for \_\_\_\_\_  
(State)

Month of \_\_\_\_\_

County	No. of Loans Certified	Total Bu. of Shelled Corn	Total Bu.: of Ear Corn	Amount of Loan	Service Fees Paid
	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:
	:	:	:	:	:

G. Control Cards. At the time of preparation of the loan documents in the county office two copies of a control card (1940 CCC Control Card) should be prepared for each loan, giving all information available at this time.

Give all data for a single loan on the card so that the one card will serve as a record for the entire loan. If only one seal number is included in the loan, the seal number, bushels, etc., may be entered in the second line. If more than one seal number is covered by the loan, only the totals should be shown under "net bushels" and the amount and information in regard to the various seal numbers should be entered in the space provided above "Remarks." Care should be taken to enter the data exactly as they appear in the loan documents. The original copy of the control card shall be forwarded to the Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois, with the note, in case of direct loans. All control cards for loans made with other lending agencies will be mailed to the Chicago office by the end of each week. The duplicate copy will be retained in the county office. Information in regard to the loan should be entered under "Remarks" or on the reverse side of the control card.

H. Insurance. There are two types of insurance coverage in connection with the corn loan program. These coverages are referred to as primary and secondary insurance. The producer must obtain the primary insurance coverage on the corn and submit evidence of the same in the form of a complete certificate of insurance, substantially in form, as shown in 1940 CCC Corn Form 1. The secondary insurance is the blanket policy secured by the Commodity Credit Corporation to protect the borrower, the local lending agency, and the Corporation against errors or omissions in the primary insurance, such as failure of primary insurance company to pay loss or a loss on account of theft, conversion, and certain other risks not covered by the primary insurance carried by producers. The cost of secondary insurance will be paid by the Commodity Credit Corporation from that portion of the service fees which is transmitted to the Corporation by the county committee.

Each insurance representative desiring to sell primary insurance must furnish the county committee with his name and address, the name of the company he represents, the premium rate per hundred dollars, and



policy fee, if any. This information shall be listed by the county committee and be made available to each borrower. At the time the producer makes application for a loan, he shall designate the insurance representative from whom he desires to purchase his certificate, and such information shall be entered on the work sheet below the space "List of Lienholders." The county committee will notify the insurance agent selected by the producer, to prepare the insurance certificate for an amount not less than the face value of the note, plus interest to November 1, 1942. This insurance certificate must be attached to the copy of the chattel mortgage which is on file in the county office.

I. Transmittal of Corn Loan Service Fees to Commodity Credit Corporation.

The treasurer of the county association shall transmit, by check, each month, 40 percent of the service fee collections, through the State Office to the Commodity Credit Corporation, Washington, D. C., upon receipt of the approved Form ACP-9. The remainder of the service fees paid by applicants for loans shall be retained in the county for county administrative expenses.

Corn Loan-6, Transmittal Letter, shall be prepared in quadruplicate. The original and one copy shall be attached to the association check and transmitted through the State Office to the Corporation, with self-addressed, official penalty envelope. One copy of Corn Loan-6 shall be forwarded to the State Office for their files, and the remaining copy shall be retained in the county association files.

The Commodity Credit Corporation, upon receipt of the association check and two copies of Corn Loan-6, will receipt one copy and return it to the association treasurer, who will attach it to Form ACP-11, in lieu of Form ACP-12.

From the above-mentioned fund, the Commodity Credit Corporation will pay for the secondary insurance and the balance of the fund will be apportioned by the Agricultural Adjustment Administration to apply on the expense of making and supervising commodity loans.

40-Corn Loan 6 (Sample)

United States Department of Agriculture  
Agricultural Adjustment Administration

State \_\_\_\_\_

County \_\_\_\_\_

TRANSMITTAL OF SERVICE FEES

Commodity Credit Corporation,

Washington, D. C.

Gentlement:          Attention: Mr. John B. Payne, Treasurer.

We enclose an association check in the amount of \$ \_\_\_\_\_,  
which represents all of the corn loan service fees collected during the  
month of \_\_\_\_\_, 19\_\_\_\_, in connection with the 1940  
Corn Loan Program.

The proceeds are to apply on the necessary expenses heretofore or  
hereafter incurred in connection with making and supervising Commodity  
Credit Corporation loans, also the purchase of secondary insurance.

Very truly yours,

\_\_\_\_\_  
County  
Agricultural Conservation Association,

\_\_\_\_\_. 19\_\_\_\_. By \_\_\_\_\_

Enclosure

\_\_\_\_\_  
(Title

-----  
Receipt of the above-stated amount is hereby acknowledged.

Commodity Credit Corporation,

\_\_\_\_\_. 19\_\_\_\_. By \_\_\_\_\_

(  
(Type in county office, submit original and one copy to Commodity Credit  
Corporation, Washington, D. C., with self-addressed official penalty  
envelope attached, and two copies to State committee)





40-Corn Loan 2 (Supplement 1)  
United States Department of Agriculture  
Agricultural Adjustment Administration

Issued: December 13, 1940

Instructions to State and County Committees Relative to  
Redemption of Corn Collateral and Sale of Commodity  
Credit Corporation Owned Corn Stored in Steel Bins and  
Country Warehouses.



(A) Redemption of Corn Collateral by Borrower.

40-Corn Loan 2, Part V, Item C, is hereby amended to permit, on approval of the county committee, the redemption by the borrower of a part of the corn collateral contained in a bin or crib under a single seal number.

A producer desiring to redeem all or any part of his corn under seal shall be required to call at the county agricultural conservation committee office and designate the number of bushels he wishes to redeem and the seal number of the bin from which the corn will be removed. If the county committee approves the redemption of the corn, it shall compute the amount owing on such number of bushels and collect the same from the producer.

Corn Loan 29 (copy attached) will be prepared by the county committee, in triplicate, for notes held by the Commodity Credit Corporation, and in quadruplicate for notes held by a lending agency. The producer will sign all copies and all copies shall be approved by the county committee. The original Corn Loan 29, with check attached, shall be forwarded by the county agricultural conservation committee to the proper lending agency or to the Commodity Credit Corporation, whichever holds the note. One copy shall be forwarded to the Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois (if note is held by a lending agency other than the Corporation); one copy furnished to the borrower; and one copy kept on file with the borrower's loan documents.

Corn Loan 29 will serve as a receipt for the producer and will also serve as a letter of transmittal of the funds to the lending agency. The Commodity Credit Corporation will correct its copy of the control card from this form, and the lending agency or Commodity Credit Corporation will credit the producer's note with the number of bushels redeemed and the amount paid. The county committee shall correct their copy of the control card.

Corn Loan 29 shall be used in connection with any redemption of corn collateral regardless of the amount.

It will not be necessary to reinspect the corn collateral every time a portion of the collateral is redeemed but Corn Loan 29 shall be available in connection with any general reinspection, at which time it shall be determined that the original amount of corn under seal, less the number of bushels redeemed, remain in the crib or bin. If it is determined that more corn has been removed than authorized by Corn Loan 29, the county committee shall determine the cause of loss, and proceed as outlined in 40-Corn Loan 2.



(B) Interest Rate Applicable to 1940 and extended Corn Loans.

The Commodity Credit Corporation will use the following schedule of factors for computing interest on all 1938 and 1939 resealed corn loans and 1940 corn loans. Interest shall be computed on the face value of the note on all resealed loans before deducting earned storage.

1940 Corn Loans in Noncommercial Corn Area

\$ .44 loan rate at \$ .00003616 per bushel per day  
    .46 loan rate at .00003781 per bushel per day

1940 Corn Loans in Commercial Corn Area

\$ .59 loan rate at \$ .00004849 per bushel per day  
    .61 loan rate at .00005014 per bushel per day

1939 Corn Loans Resealed in Noncommercial Corn Area

1-year storage -

\$ .46 loan rate at \$ .00003781 per bushel per day

1-year storage -

\$ .48 loan rate at \$ .00003945 per bushel per day

2-year storage -

\$ .51 loan rate at \$ .00004192 per bushel per day

2-year storage -

\$ .53 loan rate at \$ .00004356 per bushel per day

1938 and 1939 Corn Loans Resealed in Commercial Corn Area

1-year storage -

\$ .60 loan rate at \$ .00004932 per bushel per day

1-year storage -

\$ .62 loan rate at \$ .00005096 per bushel per day

2-year storage -

\$ .65 loan rate at \$ .00005342 per bushel per day

2-year storage -

\$ .67 loan rate at \$ .00005507 per bushel per day

The custodian computes interest on a loan up to the date funds are made available to him; therefore, county committees should add an additional five days' interest to each loan to allow for clearance and collection of funds.

(C) Sale of Corn Stored in Steel Bins and Country Warehouses.

39-Corn Loan 8, Supplement 5, issued January 22, 1940, entitled "Instructions to State and County Committees Relative to Local Sale of Corn

Owned by the Commodity Credit Corporation" is hereby canceled, and effective from the date hereof the following instructions relative to the sale of Commodity Credit Corporation-owned corn stored in steel bins and country warehouses shall be in force until further notice. As a matter of general policy excess corn stored in overfilled bins (regardless of grade) and corn in country warehouses should be sold first.

1. Sale Price. All corn stored in steel bins and in country warehouses, the ownership of which is in the name of the Commodity Credit Corporation, will be offered for sale to the public at a basic uniform price for grade No. 3 or better of 65 cents per bushel, or the local market price, whichever is higher.

2. Local Market Price. The local market price shall be determined for the county by the county agricultural conservation committee. This price shall be uniform throughout the county. Such local market price shall be furnished the Chicago office of the Commodity Credit Corporation by wire in all cases where the local market price is determined to be above 65 cents per bushel. A copy of such wire shall be mailed to the State committee. The county committee may consider that such local market price meets the approval of the Commodity Credit Corporation and State committee and sales may be made at such price. In the event the State committee or the Commodity Credit Corporation disapproves the local market price determined by the county committee, it will be necessary for the county committee to get in touch with the State committee and redetermine such local market price for future sales, after which the county committee shall again wire the Chicago office of the Commodity Credit Corporation quoting the redetermined local market price.

Changes of local market price will be handled in the same manner as above outlined. The State committee and the Chicago office of the Commodity Credit Corporation will consider the last local market price quoted as remaining in effect in the county unless otherwise notified. Changes in the determined local market price need not be made for less than one cent; fractions of a cent should not be used when determining local market price.

In determining the local market price for the county, the county committee shall take into consideration: (a) the price producers and warehousemen are receiving for comparable corn in the county; (b) the general price in the community for which comparable corn is changing hands among farmers.

3. Sale of Corn in Steel Bins. Persons desiring to purchase corn shall call at or communicate with the office of the county committee of the county in which the corn is stored. The committee shall quote a price to the prospective purchaser of 65 cents per bushel, or the determined sale price, whichever is higher. The county committee shall sell all the No. 3 corn at a location before selling higher grade corn at such location. The purchaser shall be required to pay to the county committee the full purchase price before the sale is considered to be made and before removing the corn.

The county committee shall advise the prospective purchaser of the grade of corn according to the last reinspection report, which will be the



basis of sale. If the purchaser questions the grade, a redetermination may be made prior to the removal of any corn from the bin. Corn grading below No. 3 may be sold at a price discount which the county committee must secure from the Chicago office of the Commodity Credit Corporation before making the sale.

The county committee shall arrange all details in connection with supervision of the sale of corn. The expense of removing and weighing steel-bin corn shall be paid by the purchaser.

Upon completion of each sale and delivery of corn, the county committee shall prepare a statement, in triplicate, on 40-Corn Loan 23. (copy attached) The association check, payable to the Commodity Credit Corporation representing the sale price to the Corporation, shall be attached to the original and forwarded to the Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois; one copy forwarded to the State committee, and one copy kept on file in the county office. The county office copy of the C.C.C. Corn Form X-1 card shall be corrected when corn is sold out of steel bins, by entering the number of bushels sold and the sales record number as shown on 40-Corn Loan 23.

4. Sale of Corn in Country Warehouses. The county committee shall follow the same procedure for the sale of corn in country warehouses as for corn stored in steel bins.

Warehouse receipts representing corn stored in country warehouses may be obtained by the county committee by writing or wiring the Commodity Credit Corporation office at Chicago, Illinois, requesting that certain numbered warehouse receipts or warehouse receipts representing a certain number of bushels of a particular grade, properly endorsed, be forwarded to the county committee.

On receipt of the warehouse receipts the county committee shall turn them over to the purchaser upon payment in full at 65 cents per bushel, or the determined sale price, whichever is higher. In the event only part of the corn represented by the warehouse receipt is sold, the county committee shall call at the warehouse and request that the warehouse receipt be split. The portion sold to be made out in the name of the purchaser and the balance in the name of Commodity Credit Corporation. The record of the sale will be recorded on 40-Corn Loan 23. The original form 40 Corn Loan-23 shall be forwarded to the Corporation with the association check covering the full sales proceeds and the warehouse receipt representing the balance of corn (if any) attached; one copy forwarded to the State committee and one copy kept on file in the county office.

The purchaser will be required to pay the warehouseman the outcharge and any other charges accruing on the corn subsequent to purchase; all charges such as unloading, conditioning, and storing up to the date of the sale, will be assumed by the Commodity Credit Corporation.

(D) Handling of Funds and Expense in Connection With Sale of  
Corn Out of Steel Bins and Country Warehouses.

All funds collected by the county committee in connection with the sale of Commodity Credit Corporation corn shall be deposited in a special corn sale account and a detailed report recorded on 40-Corn Loan 23. Procedure for handling these funds in the county office is outlined in NCR-504, Part 16.

Expense in connection with the sale of corn out of steel bins and country warehouses will be handled in accordance with NCR-504, Supplement 1.





40-Corn Loan 23 (Sample)  
United States Department of Agriculture  
Agricultural Adjustment Administration.

State \_\_\_\_\_  
County \_\_\_\_\_  
Sales Record No. \_\_\_\_\_

COUNTY COMMITTEE REPORT OF CORN SALES  
STEEL BIN AND COUNTRY WAREHOUSE.

I. Purchaser \_\_\_\_\_ Address \_\_\_\_\_

Original Warehouse Receipt No. or Steel Bin No.	Name & Location of Warehouse or Location of Bin	C O R N S O L D				Balance of Warehouse Receipt or Balance in Bin
		Bushels	Grade	Price	Amount	
Total		Bushels . . \$		(Check Attached)		

II. Collections

Date \_\_\_\_\_ Original Payment Amt. \$ \_\_\_\_\_  
Date \_\_\_\_\_ Additional Payment After Weighing Amt. \$ \_\_\_\_\_  
Date \_\_\_\_\_ Refund to Purchaser After Weighing Amt. \$ \_\_\_\_\_  
Total Net Payment . . . . . \$ \_\_\_\_\_

III. Actual County Association Expense

Total Cost, Supervision of Sale . . . . . \$ \_\_\_\_\_

\_\_\_\_\_ County Agricultural Conservation Association By \_\_\_\_\_  
(Member of County Committee)  
\_\_\_\_\_  
(Association Office Address)

Attachments:

Association Check No. \_\_\_\_\_ dated \_\_\_\_\_ 194\_

Split Warehouse Receipt No. \_\_\_\_\_ Warehouse \_\_\_\_\_  
Address \_\_\_\_\_

Forward original to Commodity Credit Corporation, Chicago, Illinois.  
Forward one copy to State office.  
Retain one copy in county office.





Corn Loan 29 (Sample)  
United States Department of Agriculture  
Agricultural Adjustment Administration

State \_\_\_\_\_  
County \_\_\_\_\_

REPAYMENT RECORD

\_\_\_\_\_  
Name (C.C.C. or Lending Agency)

\_\_\_\_\_  
(Address)

Re: \_\_\_\_\_  
(Name of Borrower)

\_\_\_\_\_  
(Address)

Loan Serial No. \_\_\_\_\_  
Dated \_\_\_\_\_  
Amount \$ \_\_\_\_\_  
Bushels \_\_\_\_\_  
Year Produced \_\_\_\_\_

Dear Sir:

Please credit the above corn loan note as follows:

_____ bushels at \$ _____	\$ _____	
Plus interest and charges	\$ _____	Total \$ _____
Less storage credit _____ bu. at \$ _____		\$ _____
Check attached		\$ _____

Redeemed from:	Remaining Under Seal:
Seal No. _____ . . . . .	_____ bu.
Seal No. _____ . . . . .	_____ bu.
Seal No. _____ . . . . .	_____ bu.
Total remaining under seal . . . . .	_____ bu.

APPROVED BY:

\_\_\_\_\_  
Member \_\_\_\_\_ County  
Agricultural Conservation Association.

\_\_\_\_\_  
(Signature of Borrower)

\_\_\_\_\_  
19\_\_.



